



Capital Cities

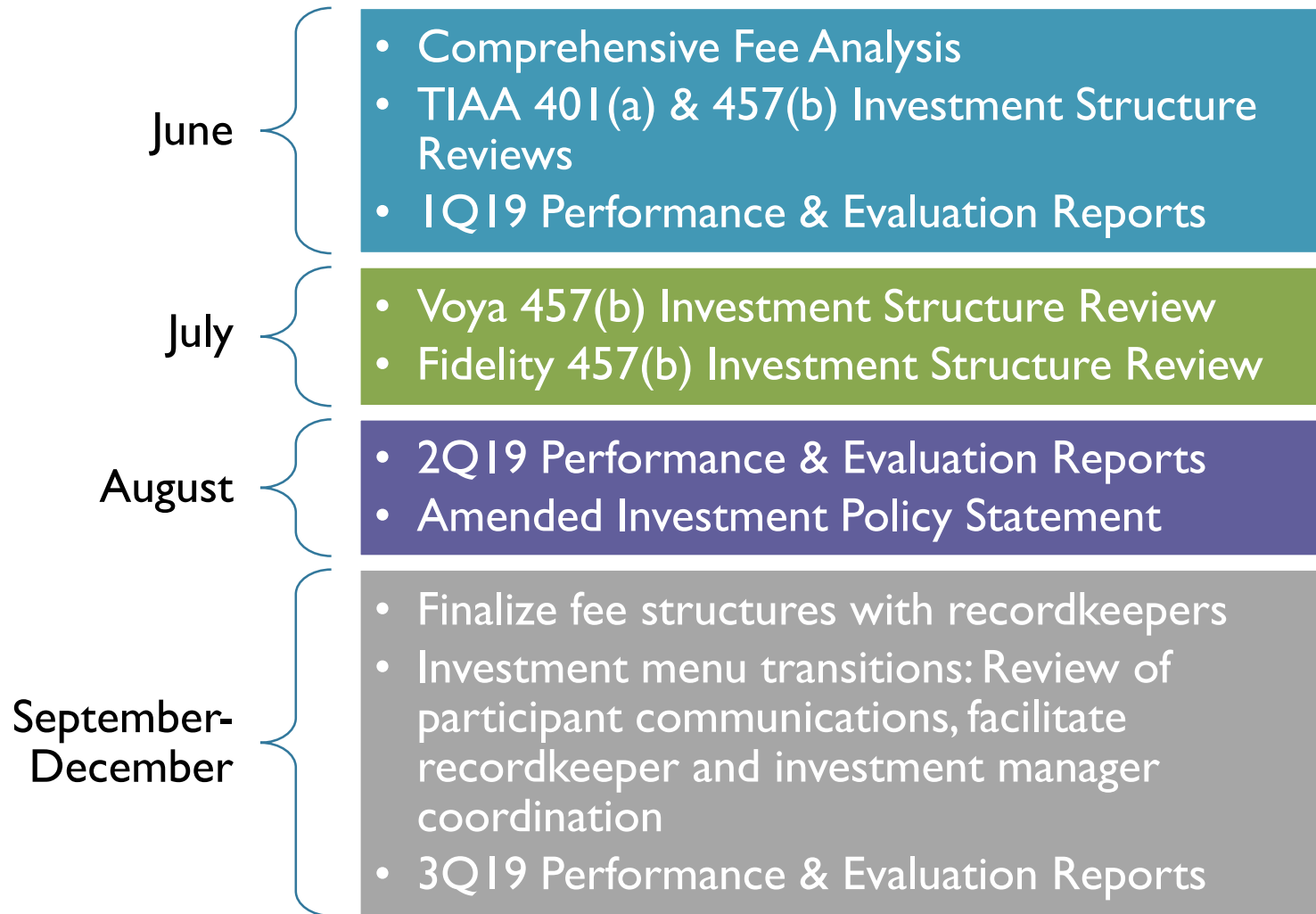
INSTITUTIONAL INVESTING MADE PERSONAL



Rhode Island State Investment Commission Investment Structure Reviews: Voya and Fidelity 457(b) Plans

July 24, 2019

Proposed Timeline*



*Timeline is subject to recordkeepers and SIC availability.

Fiduciary Responsibilities

Today's Focus: Diversify Plan Assets—Voya and Fidelity 457(b) Plans



Voya 457(b) Plan Investment Structure Review

Summary of Findings and Recommendations

- The Voya 457(b) Plan's investment menu offers a broad range of investment options and allows participants to exercise control over their assets.
- **Tier I: Target Date Options:** The utilization and monitoring of the Voya Solution Portfolios position the Voya 457(b) Plan well relative to peers and within the context of the DOL's guidance.
 - **Recommendation:** Designate an age-appropriate Voya Solution Portfolio to serve as the 457(b) Plan's default option, meaning that Voya would invest a participant's assets in an age-appropriate Target Date Fund in the absence of investment direction from a participant.
- **Tier II Core Options and Tier III Additional Options:** The Voya 457(b) Plan's Tiers II and III options offer exposure to each major asset class, allowing participants to build their own broadly diversified portfolios or express a particular bias within their portfolios. Opportunities exist to enhance the International Equity Index option, consolidate the Small/Mid Cap Equity Index investment options and offer a Socially Responsible Equity option.
 - **Recommendation:** Replace the current International Equity Index option (Voya International Index) with a more broadly diversified International Equity Index option (SSGA Global All Cap Equity ex U.S. Index), while also reducing the investment management fee.
 - **Recommendation:** Simplify the Small and Mid Cap Equity Index options by offering one broadly diversified Small/Mid Cap Equity Index option (SSGA U.S. Small/Mid Cap Index), while also reducing investment management fees.
 - **Recommendation:** Add the Vanguard FTSE Social Index Fund as a SRI option for participants.
- **Tier IV Self-Directed Brokerage Option:** The Voya SDBA option offers a full brokerage window, in which participants are allowed to invest outside of the Plan's investment menu.
 - **Recommendation:** Limit the SDBA to a mutual fund only window to ensure greater diversification in participants' holdings.

Continued on the following page.

Note: SIC votes are required today for bolded recommendations outlined in blue above.

Voya 457(b) Plan Investment Structure Review cont.

Summary of Findings and Recommendations

— **Manager Due Diligence & Fee Structure:** The majority of the investment options rank good to excellent from both a qualitative and performance standpoint, per the Investment Policy Statement guidelines.

- **Recommendation:** Eliminate the Voya Oppenheimer Global Fund due to a material personnel change. Map assets to the Voya U.S. Stock Index Fund for those participants who do not make an investment election change.

There are opportunities to reduce investment management fees by exchanging share classes/vehicles and replacing the U.S. Bond Index passive provider.

- **Recommendations:** Conduct a share class exchange of the Principal Mid Cap Fund (R5 to R6) and vehicle exchange of the PIMCO VIT Real Return Fund (insurance product to retail mutual fund—I shares) and Voya Intermediate Bond Portfolio (insurance product to retail mutual fund—I shares).
- **Recommendation:** Replace Voya US Bond Index (0.08%) with SSGA US Bond Index (0.02%).

As highlighted during the June 26th SIC meeting, the Voya 457(b) Plan charges an administrative fee of 15 bps on all variable assets in the Plan and collects revenue-sharing from the Plan's investment options for a total required revenue of 44 bps. The current Voya recordkeeping platform does not allow revenue-sharing to be rebated to the individual participants who generate it; however, Voya can adjust the administrative fee to provide a more equitable fee arrangement.

- **Recommendation:** Adjust the Voya administration fee on each Fund so that all Funds will have a combination of administration fee and revenue-sharing that meets Voya's compensation requirement of 0.44%.

Note: SIC votes are required today for bolded recommendations outlined in blue above.

Fidelity 457(b) Plan Investment Structure Review

Summary of Findings and Recommendations

- The Fidelity 457(b) Plan's investment menu follows best practices by: utilizing a proper default option (an age-appropriate Target Date Fund), offering a broad range of investment options, and allowing participants to exercise control over their assets.
- **Tier I: Target Date Options:** The utilization and monitoring of the Fidelity Freedom Funds position the Fidelity 457(b) Plans well relative to peers and within the context of the DOL's guidance.
- **Tier II Core Options and Tier III Additional Options:** The Fidelity 457(b) Plan's Tiers II and III options offer exposure to each major asset class, allowing participants to build their own broadly diversified portfolios or express a particular bias within their portfolios. Opportunities exist to enhance the International Equity Index and consolidate the Small/Mid Cap Equity Index investment options.
 - **Recommendation:** Replace the current International Equity Index option (Fidelity International Index) with a more broadly diversified International Equity Index option (SSGA Global All Cap Equity ex U.S. Index).
 - **Recommendation:** Simplify the Small and Mid Cap Equity Index options by offering one broadly diversified Small/Mid Cap Equity Index option (SSGA U.S. Small/Mid Cap Index), while also slightly reducing investment management fees.
- **Tier IV Self-Directed Brokerage Option:** The Fidelity SDBA option offers a full brokerage window, in which participants are allowed to invest outside of the Plan's investment menu.
 - **Recommendation:** Consider limiting the SDBA to a mutual fund only window to ensure greater diversification in participants' holdings.

Continued on the following page.

Note: SIC votes are required today for bolded recommendations outlined in blue above.

Fidelity 457(b) Plan Investment Structure Review cont.

Summary of Findings and Recommendations

— **Manager Due Diligence & Fee Structure:** The majority of the investment options rank good to excellent from both a qualitative and performance standpoint, per the Investment Policy Statement guidelines.

- **Recommendation:** Place Invesco Diversified Dividend on Watchlist status.
- **Recommendation:** Replace Harbor International Equity with American Funds EuroPacific Growth.

There has recently been significant fee compression in the passive investment management space, which provides opportunities to reduce passive S&P 500 Index and US Bond Index Funds' fees.

- **Recommendations:** Replace Fidelity S&P 500 Index (0.015%) with SSGA S&P 500 Index (0.01%). Replace Fidelity US Bond Index (0.025%) with SSGA US Bond Index (0.02%).

As highlighted during the June 26th SIC meeting, the Fidelity 457(b) Plan generates revenue-sharing that is rebated to *all* participants to offset *total* Plan expenses.

- **Recommendation:** Rebate revenue-sharing to *individual* participants who generate it (“fee leveling”) to provide a more equitable fee arrangement.

Note: SIC votes are required today for bolded recommendations outlined in blue above.

Investment Structure Framework

Confirming the Current Investment Structure

Are the Voya and Fidelity 457(b) Plans' investment menus:



Designed to meet ERISA 404(c) and Qualified Default Investment Alternative (QDIA) regulations?*



Providing an investment solution for each type of investor?



Offering an appropriate number of investments that provides sufficient diversification opportunity while minimizing participant confusion?



Appropriate in light of the current industry trends and regulations?



Meeting the SIC's unique objectives?

*While Rhode Island is not subject to ERISA, Capital Cities utilizes ERISA guidelines as a framework for best practices.

Voya 457(b) Plan



Voya 457(b) Plan

Asset Breakdown as of March 31, 2019

Fund	Style	Market Value	% of Plan Assets	# of Participants
Voya Solution 2060 Portfolio	Target Date	\$1,975	0.0%	6
Voya Solution 2055 Portfolio	Target Date	\$463,879	0.2%	113
Voya Solution 2050 Portfolio	Target Date	\$1,666	0.0%	3
Voya Solution 2045 Portfolio	Target Date	\$901,210	0.5%	131
Voya Solution 2040 Portfolio	Target Date	\$245	0.0%	3
Voya Solution 2035 Portfolio	Target Date	\$996,136	0.5%	105
Voya Solution 2030 Portfolio	Target Date	\$535	0.0%	3
Voya Solution 2025 Portfolio	Target Date	\$857,201	0.5%	62
Voya Solution 2020 Portfolio	Target Date	\$0	0.0%	0
Voya Solution Income Portfolio	Target Date	\$397,228	0.2%	10
		\$3,620,074	2.0%	
Voya U.S. Stock Index	Large Cap Core	\$9,018,193	4.9%	1,754
Voya Growth and Income	Large Cap Broad	\$26,563,785	14.3%	1,960
BlackRock Equity Dividend	Large Cap Value	\$3,971,892	2.1%	853
Voya Large Cap Growth	Large Cap Growth	\$11,770,426	6.3%	1,826
Voya Russell Mid Cap Index	Mid Cap Core	\$1,346,033	0.7%	676
Principal Mid Cap Fund	Mid Cap Broad	\$10,729,762	5.8%	1,351
Voya Russell Small Cap Index	Small Cap Core	\$1,374,629	0.7%	638
Voya Small Company	Small Cap Broad	\$7,585,318	4.1%	1,259
Voya Oppenheimer Global	Global	\$7,226,972	3.9%	1,792
Voya International Index	Int'l Equity Developed	\$410,510	0.2%	95
American Funds EuroPacific Growth	Non-US Equity	\$5,979,457	3.2%	1,843
Voya T Rowe Price Capital Appreciation	Balanced	\$8,723,429	4.7%	306
PGIM High Yield Fund	High Yield	\$541,213	0.3%	82
PIMCO VIT Real Return Portfolio	TIPS	\$389,024	0.2%	122
Voya Intermediate Bond	Core Plus Bond	\$7,210,499	3.9%	1,667
Voya U.S. Bond Index	Core Bond	\$570,111	0.3%	123
Voya Fixed Account	Guaranteed	\$71,971,525	38.8%	2,700
Voya Fixed Account - 457/ 401 II A	Guaranteed	\$6,542,622	3.5%	1,897
Voya Long-Term Accumulation	Guaranteed	\$25,667	0.0%	9
		\$181,951,065	98.0%	
		\$185,571,139	100.0%	4,143

Voya 457(b) Plan Investment Menu

Investment Menu Overview

Investment Menu				
Risk Spectrum	Tier I. Target Date Options	Tier II. Core Options	Tier III. Additional Options	Tier IV. Self-Directed Brokerage Account
Conservative	Voya Solution Income Portfolio	Voya Fixed Account	PIMCO VIT Real Return	SDBA Full Brokerage Window
	Voya Solution 2020 Portfolio	Voya U.S. Bond Index Portfolio	Voya Intermediate Bond Fund	
	Voya Solution 2025 Portfolio	Voya U.S. Stock Index Portfolio	Prudential High Yield Fund	
	Voya Solution 2030 Portfolio	Voya International Index	VY T. Rowe Cap. Apprec. Portfolio	
	Voya Solution 2035 Portfolio	Voya Russell Mid Cap Index	Voya Growth and Income Portfolio	
	Voya Solution 2040 Portfolio	Voya Russell Small Cap Index	BlackRock Equity Dividend Fund	
	Voya Solution 2045 Portfolio		Voya Large Cap Growth Portfolio	
	Voya Solution 2050 Portfolio		VY Oppenheimer Global Portfolio	
	Voya Solution 2055 Portfolio		Am. Funds EuroPacific Growth	
	Voya Solution 2060 Portfolio		Principal MidCap Fund	
Aggressive			Voya Small Company Portfolio	

The Voya 457(b) Plan's investment menu offers a broad range of investment options and allows participants to exercise control over their assets.

Tier I: Target Date Funds

Target Date Funds' Review

Target Date Funds:

- Provide participants with an “Allocate It For Me” solution — a pre-diversified portfolio
- Automatically allocate to more conservative asset classes over time (glide path)
- Are offered in five-year increments to best meet participant demographics
- Are designed to correspond to the year a participant intends to retire
- **Recommendation:** Designate an age-appropriate **Voya Solution Portfolio** to serve as the 457(b) Plan’s default option, meaning that **Voya** would invest a participant’s assets in an age-appropriate **Target Date Fund** in the absence of investment direction from a participant.

Tier I. Target Date Options

Voya Solution Income Portfolio

Voya Solution 2020 Portfolio

Voya Solution 2025 Portfolio

Voya Solution 2030 Portfolio

Voya Solution 2035 Portfolio

Voya Solution 2040 Portfolio

Voya Solution 2045 Portfolio

Voya Solution 2050 Portfolio

Voya Solution 2055 Portfolio

Voya Solution 2060 Portfolio

Tier I: Target Date Funds

Best Practices for Fiduciaries

Today's review of the Target Date Funds is being conducted within the context of the Department of Labor's best practices for Plan fiduciaries.

Department of Labor's Tips for Fiduciaries

The DOL issued “**Target Date Retirement Funds - Tips for ERISA Plan Fiduciaries**” in 2013, which includes the following guidance, among other items:

- ✓ Establish a process for comparing and selecting target date funds.
- ✓ Establish a process for the periodic review of selected target date funds.
- ✓ Understand the funds' investments – the allocation in different asset classes (stocks, bonds, cash), individual investments and how these will change over time.
- ✓ Review the funds' fees and investment expenses.
- ✓ Inquire about whether custom or non-proprietary target date funds would be a better fit for the Plan.
- ✓ Take advantage of available sources of information to evaluate the target date funds and recommendations received regarding the target date funds' selection.
- ✓ Document the process.

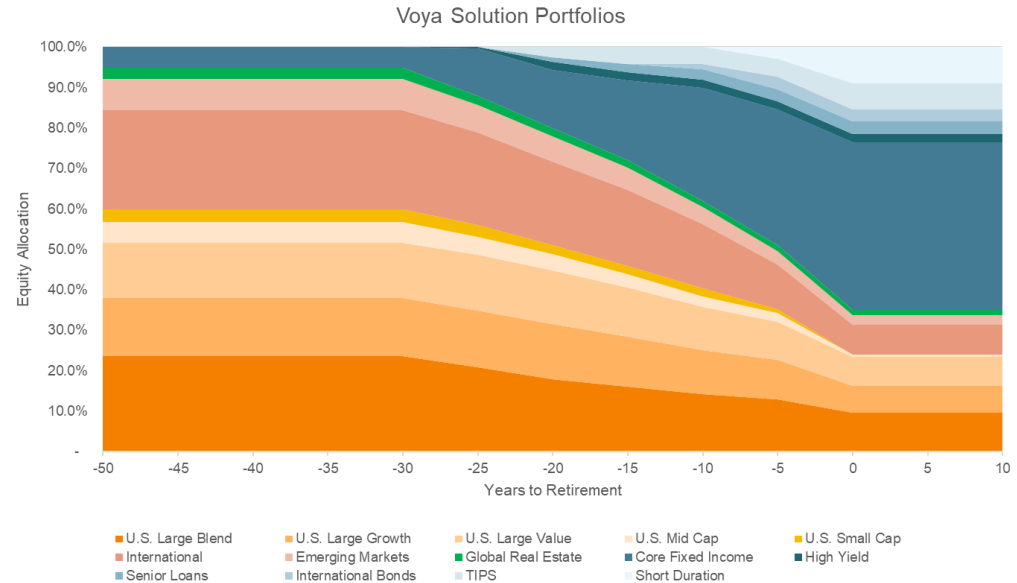
Note: While Rhode Island is not subject to ERISA, Capital Cities utilizes ERISA guidelines as a framework for best practices.

Tier I: Target Date Funds

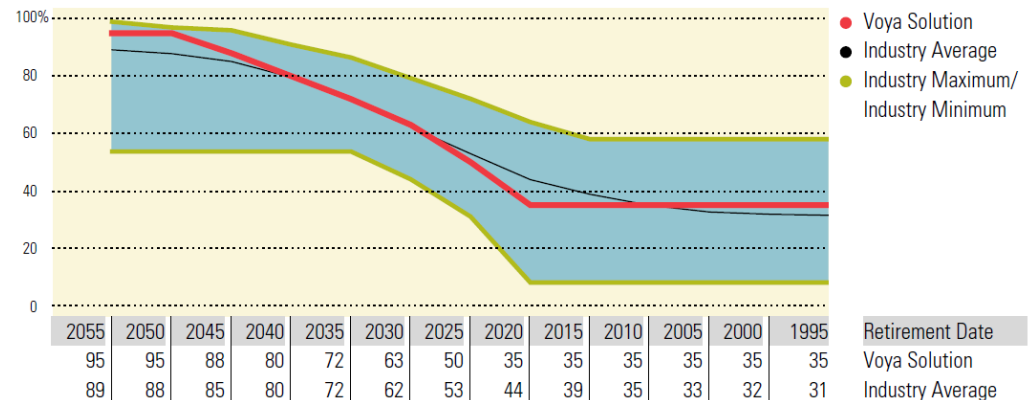
Voya Solution Portfolios' Review

- Blended approach with active and passive broad market exposure to major asset classes.
- Flexible asset allocation within reasonable guardrails.
- Automatically becomes more conservative over time until landing at a static asset allocation at retirement.
- Asset allocation is comparable to peers throughout the majority of the glidepath, with the exception of the beginning (more aggressive) and at retirement (more conservative).
- Performance can deviate relative to the Funds' strategic indexes.
- Net expense (investment management fee – revenue sharing) is reasonable relative to peers.*
- The utilization and monitoring of the Voya Solution Portfolios position the Voya 457(b) Plan well relative to peers and within the context of the DOL's guidance.

Glide Path & Portfolio Construction:



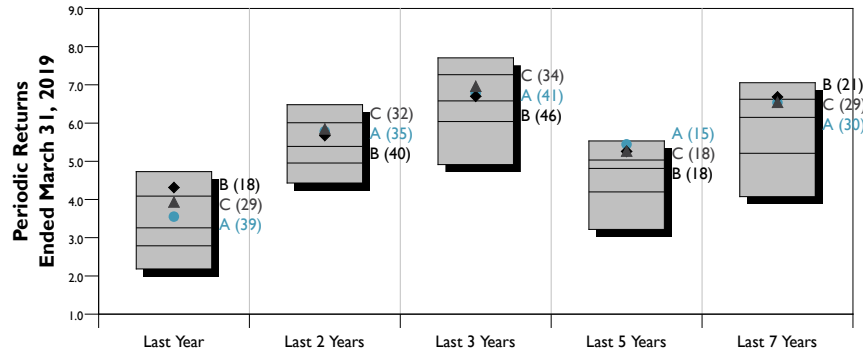
Morningstar Glide Path Peer Comparison:



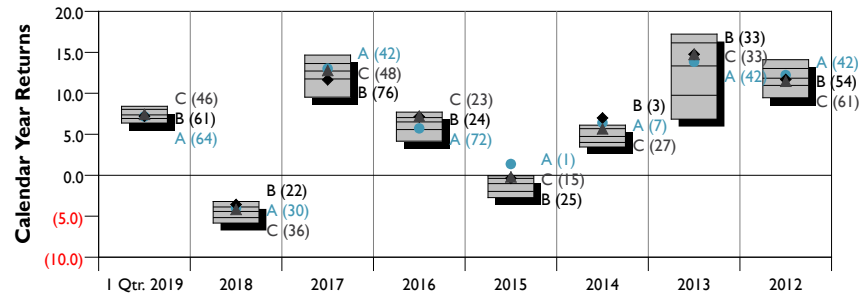
* Morningstar Fee Level: Voya Solutions Portfolios' fees would rank "Below Average to Average," if revenue-sharing was excluded.

Target Date Funds' Comparison

2020 Fund Performance and Risk Comparison

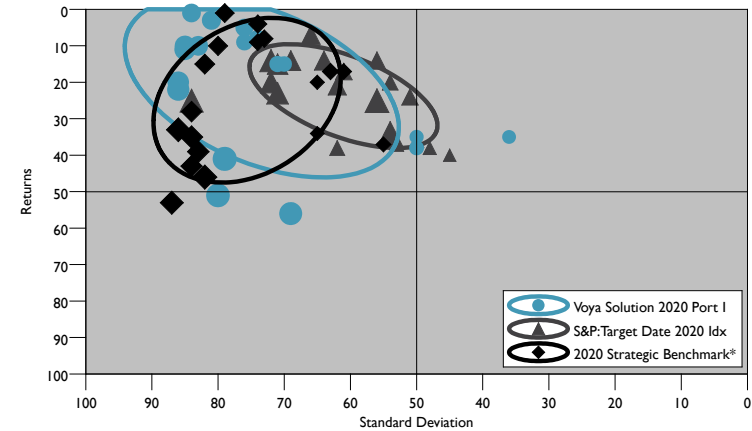


	Last Year	Last 2 Years	Last 3 Years	Last 5 Years	Last 7 Years
Median	3.26	5.39	6.58	4.81	6.15
Voya Solution 2020 Port I	● A (39)	● A (35)	● A (41)	● A (15)	● A (30)
2020 Strategic Benchmark*	◆ B (18)	◆ B (40)	◆ B (46)	◆ B (18)	◆ B (21)
S&P-Target Date 2020 Idx	▲ C (29)	▲ C (32)	▲ C (34)	▲ C (18)	▲ C (29)



	I Qtr. 2019	2018	2017	2016	2015	2014	2013	2012
Median	7.36	(4.42)	12.73	6.51	(1.03)	4.74	13.33	11.84
Voya Solution 2020 Port I	● A (64)	● A (30)	● A (42)	● A (72)	● A (1)	● A (7)	● A (42)	● A (42)
2020 Strategic Benchmark*	◆ B (61)	◆ B (22)	◆ B (76)	◆ B (24)	◆ B (25)	◆ B (3)	◆ B (33)	◆ B (54)
S&P-Target Date 2020 Idx	▲ C (46)	▲ C (36)	▲ C (48)	▲ C (23)	▲ C (15)	▲ C (27)	▲ C (33)	▲ C (61)

Rolling 12 Quarter Scatter Chart for 5 Years Ended March 31, 2019

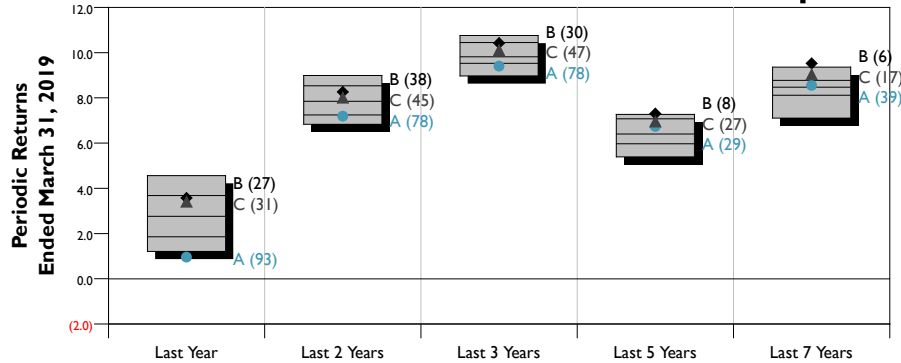


Voya Solution 2020 Portfolio has generally provided higher returns, while taking less risk, relative to its peers.

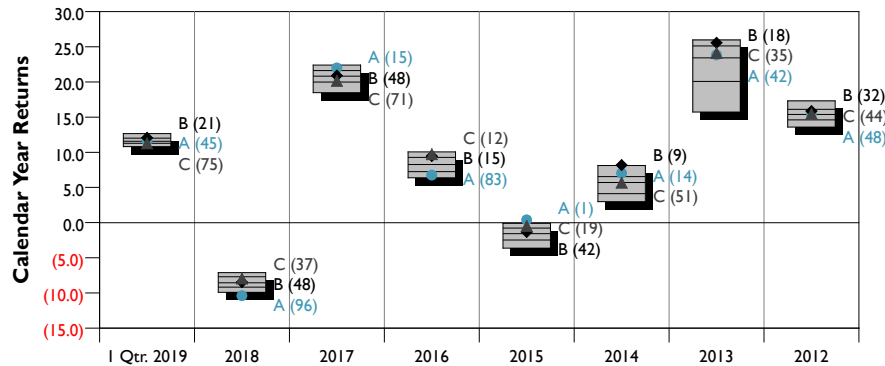
*Strategic Asset Allocation Returns – returns represent Voya’s strategic asset allocation weights to asset classes (indices). Each underlying index is weighted at the strategic asset allocation of its respective asset class, which is generally updated on a semi-annual basis.

Target Date Funds' Comparison

2050 Fund Performance and Risk Comparison

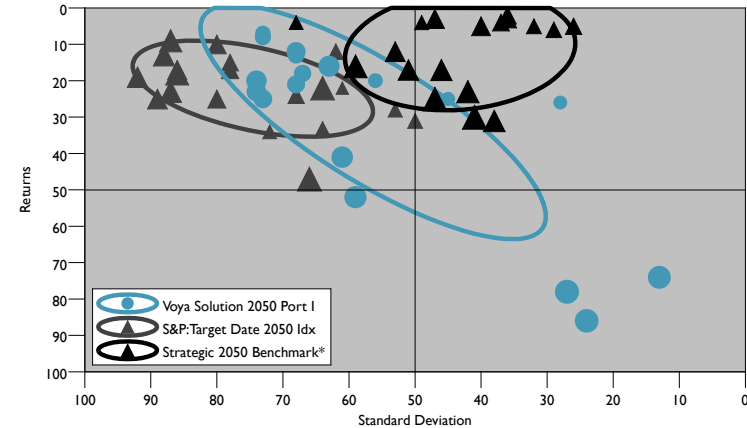


	Last Year	Last 2 Years	Last 3 Years	Last 5 Years	Last 7 Years
Median	2.76	7.85	9.81	6.40	8.47
Voya Solution 2050 Port I	0.96	7.19	9.41	6.74	8.56
2050 Strategic Benchmark*	3.58	8.27	10.42	7.31	9.53
S&P:Target Date 2050 Idx	3.41	8.02	10.12	6.95	9.04



	I Qtr. 2019	2018	2017	2016	2015	2014	2013	2012
Median	11.56	(8.55)	20.82	8.27	(1.58)	5.71	23.42	15.37
Voya Solution 2050 Port I	11.64	(10.37)	21.99	6.75	0.38	7.04	23.84	15.42
2050 Strategic Benchmark*	12.07	(8.45)	20.92	9.48	(1.32)	8.19	25.59	15.87
S&P:Target Date 2050 Idx	11.28	(7.94)	20.17	9.74	(0.46)	5.68	24.13	15.49

Rolling 12 Quarter Scatter Chart for 5 Years Ended March 31, 2019



Voya Solution 2050 Portfolio's risk/return profile has been mixed over various time periods.

*Strategic Asset Allocation Returns – returns represent Voya's strategic asset allocation weights to asset classes (indices). Each underlying index is weighted at the strategic asset allocation of its respective asset class, which is generally updated on a semi-annual basis.

Tier II Core and Tier III Additional Options

Core and Additional Options' Review

Style:

Voya 457(b) Investment Option(s):

	Passive:	% of Plan Assets:	Active:	% of Plan Assets:
Fixed Income	Capital Preservation		Voya Fixed Accounts	42.3%
	Core/Core Plus Fixed Income	Voya U.S. Bond Index	Voya Intermediate Bond	3.9%
	Real Return/TIPS		PIMCO VIT Real Return	0.3%
	High Yield		PGIM High Yield	0.3%
Equity	Large Cap Equity	Voya U.S. Stock Index	Voya Growth & Income BlackRock Equity Dividend Voya Large Cap Growth	14.3% 2.1% 6.3%
	Balanced		Voya T Rowe Price Capital Appr	4.7%
	Global Equity		Voya Oppenheimer Global	3.9%
	International Equity	Voya International Index	American Funds EuroPacific Gr	3.2%
	Small/Mid Cap Equity	Voya Russell Mid Cap Index	Principal Mid Cap	5.8%
		Voya Russell Small Cap Index	Voya Small Company	4.1%

Legend:
Tier II Core Options
Tier III Additional Options

- The Voya 457(b) Plan's Tiers II and III options offer exposure to each major asset class, allowing participants to build their own broadly diversified portfolios or express a particular bias within their portfolios.
- The Plan offers an active and passive track in appropriate asset classes, which provides an investment solution for each type of investor—one who is looking for low-cost options and one who believes active management can add value over time.
- Opportunities exist to enhance the International Equity Index option, consolidate the Small/Mid Cap Equity Index investment options and offer a Socially Responsible Equity option (see following pages).

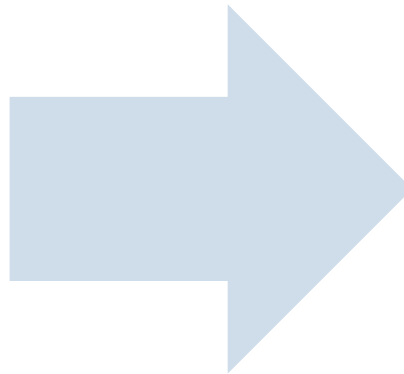
Tier II Core and Tier III Additional Options

Enhancing the Tier II International Equity Index Option

Current:

Voya International Index

- Tracks the MSCI EAFE Index
- Provides passive exposure to developed equity markets outside of the U.S.
- Mutual Fund (IIIX)
- Net Expense Ratio: 0.15%*



Recommended:

SSGA Global All Cap Equity ex U.S. Index

- Tracks the MSCI ACWI ex-US IMI Index
- Provides exposure to large, mid and small cap stocks across developed and emerging markets, excluding the U.S.
- Collective Investment Trust Class II
- Expense: 0.045%

- **Recommendation:** Replace the current International Equity Index option (Voya International Index) with a more broadly diversified International Equity Index option (SSGA Global All Cap Equity ex U.S. Index), while also reducing the investment management fee.

*Net Expense = Investment Management – Revenue Sharing

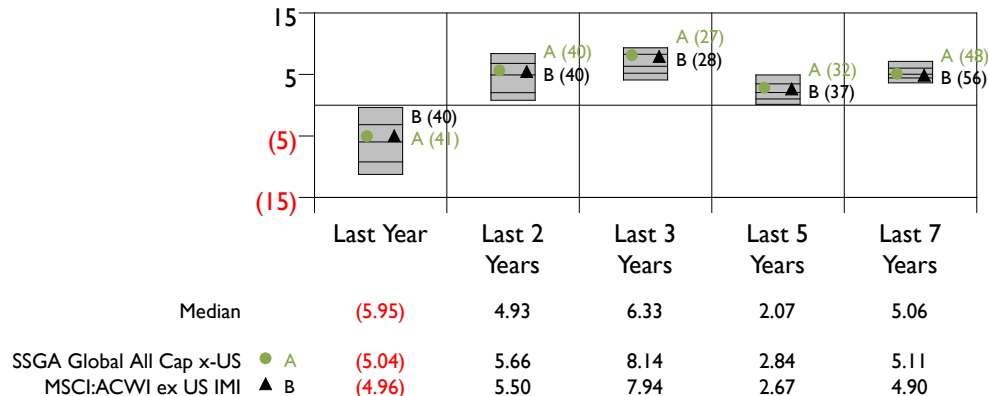
Note: SSGA Global All Cap Equity ex U.S. Index will need to be added to the Voya platform.

Tier II Core and Tier III Additional Options

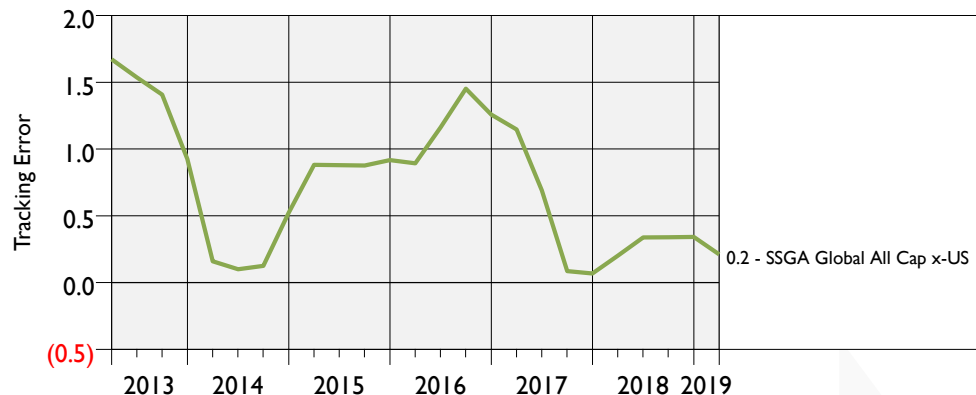
Enhancing the Tier II International Equity Index Option

Organization	State Street Global Advisors
Product Name	Global ex US All Cap
Product Inception Date	04/30/10
Ownership Structure	State Street Global Advisors Trust Company is a wholly owned subsidiary of State Street Bank and Trust which is a wholly owned subsidiary of State Street Corporation, a publicly listed company (NYSE: STT). State Street Global Advisors is the world's third largest asset manager with over \$2.8 trillion in assets under management.
Index	MSCI ACWI ex-US IMI Index
Index Description	The MSCI ACWI ex US Investable Market Index (IMI) captures large, mid and small cap stocks across 22 of 23 Developed Markets (DM) countries (excluding the United States) and 24 Emerging Markets (EM) countries. With 6,149 constituents, the index covers approximately 99% of the global equity opportunity set outside the US.
Assets In Product	\$31.8 Billion
Vehicle Type	Collective Investment Trust (Class II)
Total Expense Ratio	4.5 bps

Returns for Periods Ended March 31, 2019
Group: Callan Non US Equity Mutual Funds



Rolling 4 Quarter Tracking Error Relative To MSCI:ACWI ex US IMI
for 6 Years Ended March 31, 2019



Tier II Core and Tier III Additional Options

Simplifying the Investment Menu—Small/Mid Equity Index Option

Voya Russell Mid Cap Index

- Tracks the Russell Mid Cap Index
- Provides passive exposure to U.S. mid cap stocks
- Mutual Fund (IIRMX)
- Net Expense Ratio: 0.10%*

Voya Russell Small Cap Index

- Tracks the Russell 2000 Index
- Provides passive exposure to U.S. small cap stocks
- Mutual Fund (IIRSX)
- Net Expense Ratio: 0.15%*

Recommended: SSGA U.S. Small/Mid Cap Index

- Tracks the Russell Small Cap Completeness Index
- Provides exposure to small and mid cap stocks in the U.S.
- Collective Investment Trust Class II
- Expense: 0.02%

Legend:

Tier II Core Options

Tier III Additional Options

▪ **Recommendation:** Simplify the Small and Mid Cap Equity Index options by offering one broadly diversified Small/Mid Cap Equity Index option (SSGA U.S. Small/Mid Cap Index), while also reducing investment management fees.

*Net Expense = Investment Management – Revenue Sharing

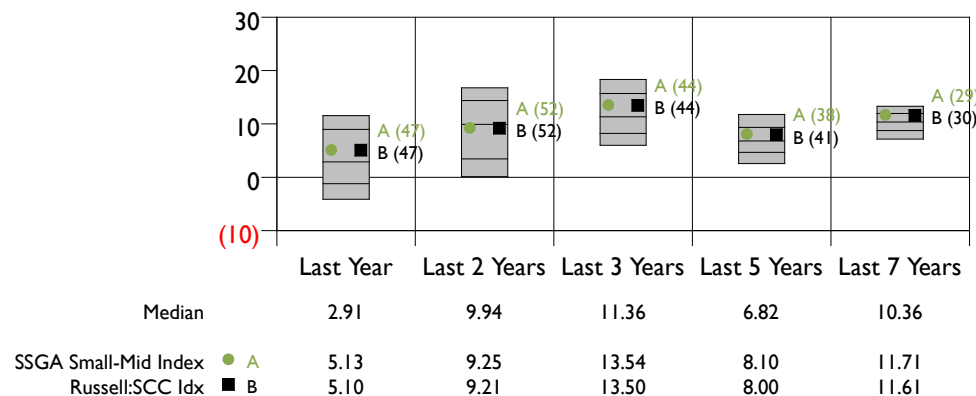
Note: SSGA U.S. Small/Mid Cap Index will need to be added to the Voya platform.

Tier II Core and Tier III Additional Options

Simplifying the Investment Menu—Small/Mid Equity Index Option

Organization	State Street Global Advisors
Product Name	U.S. Small/Mid Cap Index
Product Inception Date	08/31/97
Ownership Structure	State Street Global Advisors Trust Company is a wholly owned subsidiary of State Street Bank and Trust which is a wholly owned subsidiary of State Street Corporation, a publicly listed company (NYSE: STT). State Street Global Advisors is the world's third largest asset manager with over \$2.8 trillion in assets under management.
Index	Russell Small Cap Completeness Index
Index Description	The Fund seeks to mirror the holdings, portfolio characteristics and performance of the Russell Small Cap Completeness Index. The Russell Small Cap Completeness Index is a market capitalization weighted index comprised of the Russell 3000 stocks not included in the S&P 500 Index.
Assets In Product	\$30.9 Billion
Vehicle Type	Collective Investment Trust (Class II)
Total Expense Ratio	2.0 bps

Returns for Periods Ended March 31, 2019
Group: Callan Small/MidCap Broad Mutual Funds



Rolling 4 Quarter Tracking Error Relative To Russell:SCC Idx
for 6 Years Ended March 31, 2019

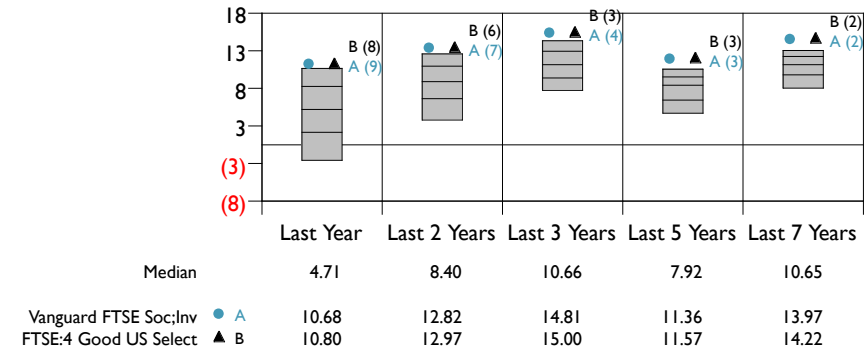


Tier II Core and Tier III Additional Options

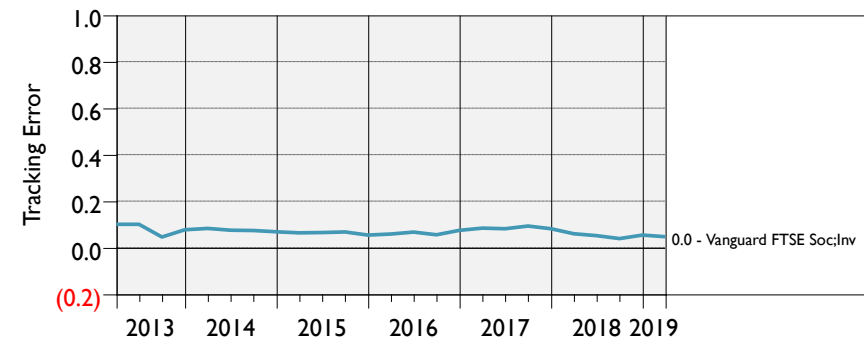
Expanding the Investment Menu—New SRI Equity Index Option

Organization	Vanguard
Product Name	Vanguard FTSE Social Index
Product Inception Date	January 14, 2003
Ownership Structure	Vanguard is owned by the Vanguard family of mutual funds, which is owned by their shareholders (investor owned).
Firm Information	Located in Valley Forge, Pennsylvania; Founded in 1975 with over \$4.2 trillion in assets under management.
Investment Philosophy	The fund seeks to track a benchmark of large- and mid-capitalization stocks that have been screened for certain social, human rights, and environmental criteria.
Stock Selection	The fund seeks to mimic the portfolio characteristics and performance of the FTSE4Good US Select Index. The FTSE USA Index is the standard benchmark that serves as the universe to be screened for SRI factors. FTSE contracts with independent third-party researchers to analyze and rate each company in the standard benchmark. FTSE will exclude securities based on the following areas: human rights, labor standards, environment, anti-corruption principles, and military weapons. The result is a market weighted index of companies that do not violate the SRI criteria set out by FTSE.
# of holdings	428
Turnover	11%
Benchmark Awareness	Vanguard utilizes full replication for the fund. This means that they will proportionally own all of the constituents of the index.
Key Professionals	Vanguard Equity Index Group: Gerard O'Reilly and William Coleman
Assets In Product	\$3.2 billion
Vehicle/Ticker	VFTAX
Fees	0.14%

Returns for Periods Ended March 31, 2019
Group: Callan All Cap Core Mutual Funds



Rolling 4 Quarter Tracking Error Relative To FTSE:4 Good US Select
for 6 Years Ended March 31, 2019



- The Vanguard FTSE Social Index Fund can offer participants a low-cost passive approach to socially responsible investing (“SRI”).
- **Recommendation: Add the Vanguard FTSE Social Index Fund as a SRI option for participants.**

Note: Admiral share class inception is February 7, 2019. Investor share class is plotted. All Cap Core Peer Group is used for comparative purposes.

Tier IV: Self-Directed Brokerage

Self-Directed Brokerage Accounts (SDBA) Considerations

Evaluating Factors for Plan Sponsors:



Is the proposed provider qualified to offer the brokerage window service?



What is the quality of the provider's service?



Are the fees reasonable?

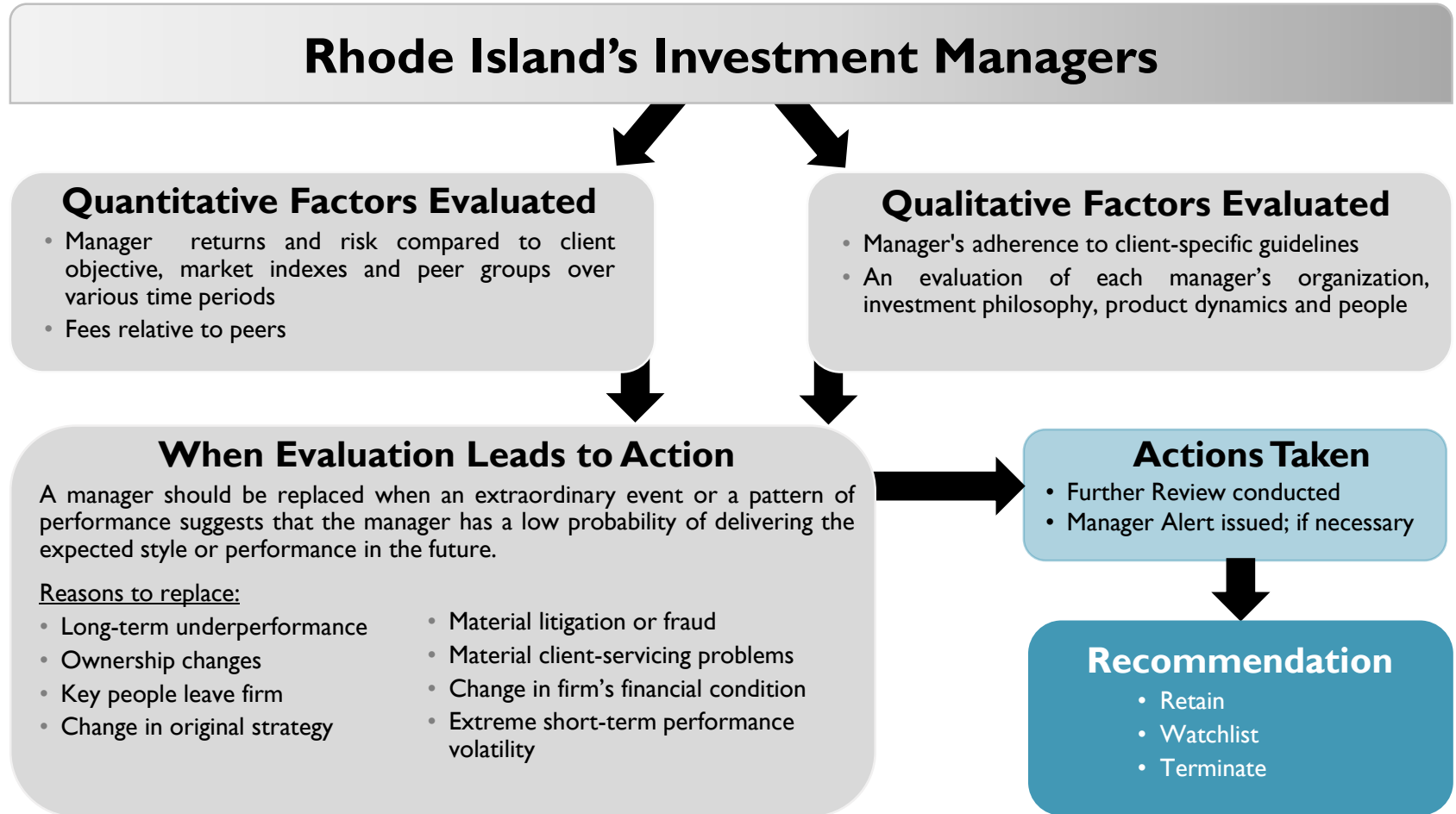
Voya SDBA Overview:

- Full Brokerage Window (Mutual Funds, Common Stock and Bonds)
- Annual Fee: \$50
- Trade fees vary depending on type. Examples: No-Transaction Fee Mutual Funds, \$6.95/online Equities and ETFs trades, etc.

- The Voya SDBA option offers a full brokerage window (mutual funds, common stock and bonds), in which participants are allowed to invest outside of the Plan's investment menu.
- There are currently no participants enrolled in Voya's SDBA.
- **Recommendation: Limit the SDBA to a mutual fund only window to ensure greater diversification in participants' holdings.**

Investment Manager Reviews

Comprehensive Ongoing Monitoring



Voya 457(b) Plan's Manager Due Diligence

Stoplight Grid Summary

Criteria	Voya Solution Portfolios	Voya U.S. Stock Index	Voya Growth and Income	BlackRock Equity Dividend	Voya Large Cap Growth	Voya Russell Mid Cap Index	Principal Mid Cap Fund	Voya Russell Small Cap Index	Voya Small Company
Qualitative Review	●	●	●	●	●	●	●	●	●
Long Term Performance (5-Yr)	●	●	●	●	●	●	●	●	●
Short Term Performance (3-Yr)	●	●	●	●	●	●	●	●	●
Fee	●	●	●	●	●	●*	●**	●*	●

Criteria	Voya Oppenheimer Global	Voya International Index	American Funds EuroPacific Growth	Voya T Rowe Price Capital Appreciation	PGIM High Yield	PIMCO VIT Real Return	Voya Intermediate Bond	Voya U.S. Bond Index	Voya Fixed Account
Qualitative Review	●	●	●	●	●	●	●	●	●
Long Term Performance (5-Yr)	●	●	●	●	●	●	●	●	●
Short Term Performance (3-Yr)	●	●	●	●	●	●	●	●	●
Fee	●	●*	●	●	●	●**	●**	●***	●

Legend	
●	Everything is good to excellent in this area
●	Caution is warranted but action is not required at this time
WL	Watchlist Status
●	Action is recommended or is being taken (as applicable)

- The majority of the investment options rank good to excellent from both a qualitative and performance standpoint, per the Investment Policy Statement guidelines.
 - Capital Cities recommends replacing Voya Oppenheimer Global Fund given a recent personnel change (see page 26).
- There are opportunities to reduce investment management fees by exchanging share classes/vehicles** and replacing the U.S. Bond Index passive provider*** (see pages 27-28).

* Red stoplight has been addressed as part of the Investment Structure Review pages 18-22.

** Red stoplight is addressed on page 27.

*** Red stoplight is addressed on page 28.

Voya Oppenheimer Global

Situation & Recommendation

Situation:

- Long-time lead portfolio manager, Rajeev Bhaman, retired effective March 31st, as expected.
- John Delano, who previously served as an analyst and then co-portfolio manager (March 2017), took over as sole portfolio manager.
- While Bhaman's retirement was announced well in-advance, Delano's limited track record raises concern.

Recommendation: Eliminate the Voya Oppenheimer Global Fund due to a material personnel change. Map assets to the Voya U.S. Stock Index Fund for those participants who do not make an investment election change.

Share Class/Vehicle Exchanges

Reducing Investment Management Expenses

Investment Option	Share Class/Vehicle	Expense Ratio	Revenue-Sharing	Cost to Participant
Principal Mid Cap Fund	R5	0.85%	0.25%	0.60%
Principal Mid Cap Fund	R6	0.59%	0.00%	0.59%
PIMCO VIT Real Return	Admin	1.42%	0.35%	1.07%
PIMCO Real Return	Class I	0.88%	0.00%	0.88%
Voya Intermediate Bond Portfolio	Class I	0.55%	0.17%	0.38%
Voya Intermediate Bond Fund	Class I	0.35%	0.17%	0.18%

Legend
Current
Recommended

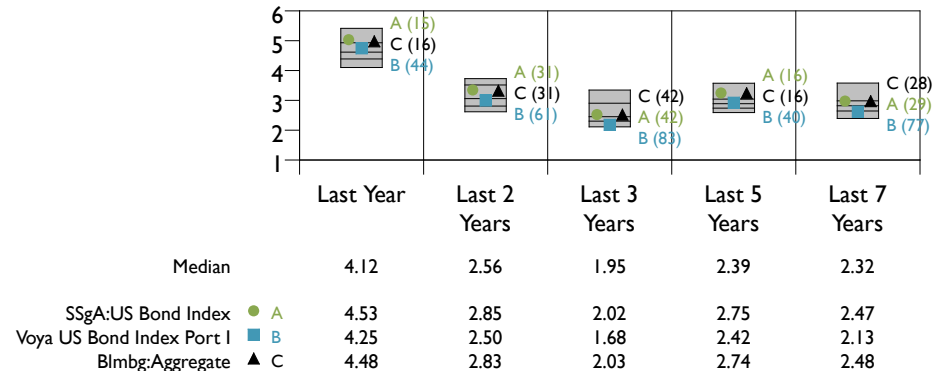
- The Principal Mid Cap Fund, PIMCO VIT Real Return Fund and Voya Intermediate Bond Portfolio offer alternative share classes/vehicles that can reduce participants' net investment management expenses, while still providing the same strategies.
- **Recommendations:** Conduct a share class exchange of the Principal Mid Cap Fund (R5 to R6) and vehicle exchange of the PIMCO VIT Real Return Fund (insurance product to retail mutual fund—I shares) and Voya Intermediate Bond Portfolio (insurance product to retail mutual fund—I shares).

Tier II: Core Bond Index Recommendation

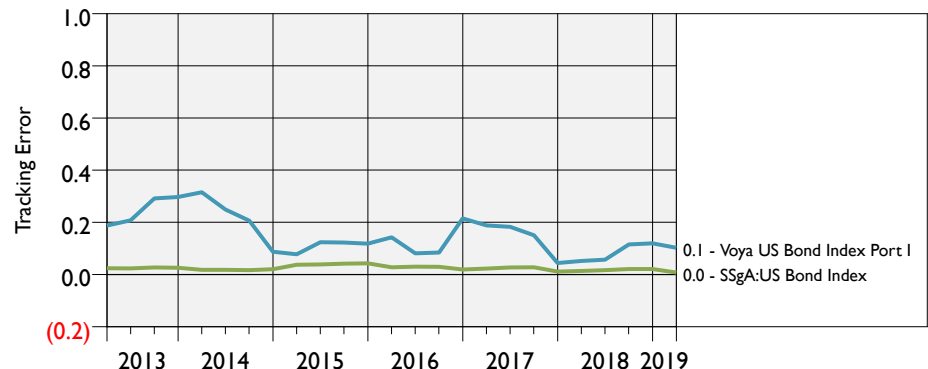
Grid & Performance

Organization	State Street Global Advisors
Product Name	US Bond Index
Product Inception Date	04/01/96
Ownership Structure	State Street Global Advisors Trust Company is a wholly owned subsidiary of State Street Bank and Trust which is a wholly owned subsidiary of State Street Corporation, a publicly listed company (NYSE: STT). State Street Global Advisors is the world's third largest asset manager with over \$2.8 trillion in assets under management.
Index	Bloomberg Barclays Aggregate Bond Index
Index Description	The index provides a measure of the performance of the U.S. dollar denominated investment grade bond market, which includes investment grade government bonds, investment grade corporate bonds, mortgage pass through securities, commercial mortgage-backed securities and asset-backed securities that are publicly for sale in the United States.
Assets In Product	\$52.2 Billion
Vehicle Type	Collective Investment Trust (Class XIV)
Total Expense Ratio	2.0 bps

Returns for Periods Ended March 31, 2019
Group: Callan Core Bond Mutual Funds



Rolling 4 Quarter Tracking Error Relative To Blmbg:Aggregate for 6 Years Ended March 31, 2019



▪ **Recommendation: Replace Voya US Bond Index (0.08%) with SSGA US Bond Index (0.02%).***

*Net Expense = Investment Management – Revenue Sharing

Notes: Voya US Bond Index has 32 bps in revenue-sharing reflected in performance. SSGA US Bond Index will need to be added to the Voya platform.

Voya 457(b): Revenue-Sharing

Monitoring of Revenue-Sharing

Manager	Style	3/31/19 Market	Inv Mgmt Fees	Inv Mgmt Fees	Revenue-Sharing	Revenue-Sharing	Voya	Voya	Total Expense	Total Expense
		Value	(%)	(\$)	(%)	(\$)	Administration Fee (%)	Administration Fee (\$)	(%)	(\$)
Voya U.S. Stock Index	Large Cap Core	\$9,018,193	0.27%	\$24,349	0.28%	\$25,251	0.15%	\$13,527	0.42%	\$37,876
Voya Growth and Income	Large Cap Broad	\$26,563,785	0.58%	\$154,070	0.30%	\$79,691	0.15%	\$39,846	0.73%	\$193,916
Blackrock Equity Dividend	Large Cap Value	\$3,971,892	0.73%	\$28,995	0.25%	\$9,930	0.15%	\$5,958	0.88%	\$34,953
Voya Large Cap Growth	Large Cap Growth	\$11,770,426	0.67%	\$78,862	0.30%	\$35,311	0.15%	\$17,656	0.82%	\$96,517
Voya Russell Mid Cap Index	Mid Cap Core	\$1,346,033	0.40%	\$5,384	0.30%	\$4,038	0.15%	\$2,019	0.55%	\$7,403
Principal Mid Cap Fund	Mid Cap Broad	\$10,729,762	0.85%	\$91,203	0.25%	\$26,824	0.15%	\$16,095	1.00%	\$107,298
Voya Russell Small Cap Index	Small Cap Core	\$1,374,629	0.45%	\$6,186	0.30%	\$4,124	0.15%	\$2,062	0.60%	\$8,248
Voya Small Company	Small Cap Broad	\$7,585,318	0.89%	\$67,509	0.30%	\$22,756	0.15%	\$11,378	1.04%	\$78,887
Voya Oppenheimer Global	Global	\$7,226,972	0.75%	\$54,202	0.36%	\$26,017	0.15%	\$10,840	0.90%	\$65,043
Voya International Index	International	\$410,510	0.45%	\$1,847	0.30%	\$1,232	0.15%	\$616	0.60%	\$2,463
American Funds EuroPacific Growth	Non-US Equity	\$5,979,457	0.83%	\$49,629	0.35%	\$20,928	0.15%	\$8,969	0.98%	\$58,599
Voya T Rowe Price Capital Appreciation	Balanced	\$8,723,429	0.64%	\$55,830	0.28%	\$24,426	0.15%	\$13,085	0.79%	\$68,915
Voya Solution 2060 Portfolio	Target Date	\$1,975	0.87%	\$17	0.32%	\$6	0.15%	\$3	1.02%	\$20
Voya Solution 2055 Portfolio	Target Date	\$463,879	0.86%	\$3,989	0.32%	\$1,484	0.15%	\$696	1.01%	\$4,685
Voya Solution 2050 Portfolio	Target Date	\$1,666	0.86%	\$14	0.32%	\$5	0.15%	\$2	1.01%	\$17
Voya Solution 2045 Portfolio	Target Date	\$901,210	0.86%	\$7,750	0.32%	\$2,884	0.15%	\$1,352	1.01%	\$9,102
Voya Solution 2040 Portfolio	Target Date	\$245	0.83%	\$2	0.32%	\$1	0.15%	\$0	0.98%	\$2
Voya Solution 2035 Portfolio	Target Date	\$996,136	0.83%	\$8,268	0.32%	\$3,188	0.15%	\$1,494	0.98%	\$9,762
Voya Solution 2030 Portfolio	Target Date	\$535	0.79%	\$4	0.32%	\$2	0.15%	\$1	0.94%	\$5
Voya Solution 2025 Portfolio	Target Date	\$857,201	0.78%	\$6,686	0.32%	\$2,743	0.15%	\$1,286	0.93%	\$7,972
Voya Solution 2020 Portfolio	Target Date	\$0	0.72%	\$0	0.32%	\$0	0.15%	\$0	0.87%	\$0
Voya Solution Income Portfolio	Target Date	\$397,228	0.68%	\$2,701	0.32%	\$1,271	0.15%	\$596	0.83%	\$3,297
PGIM High Yield Fund	High Yield	\$541,213	0.55%	\$2,977	0.25%	\$1,353	0.15%	\$812	0.70%	\$3,788
PIMCO VIT Real Return Portfolio	TIPS	\$389,024	1.04%	\$4,046	0.35%	\$1,362	0.15%	\$584	1.19%	\$4,629
Voya Intermediate Bond	Core Plus Bond	\$7,210,499	0.55%	\$39,658	0.17%	\$12,258	0.15%	\$10,816	0.70%	\$50,473
Voya U.S. Bond Index	Core Bond	\$570,111	0.40%	\$2,280	0.32%	\$1,824	0.15%	\$855	0.55%	\$3,136
		\$107,031,326	0.65%	\$696,461	0.29%	\$308,909	0.15%	\$160,547	0.80%	\$857,008

- As highlighted during the June 26th SIC meeting, the Voya 457(b) Plan charges an administrative fee of 15 bps on all *variable* assets in the Plan and collects revenue-sharing from the Plan's investment options for a total required revenue of 44 bps.
- The current Voya recordkeeping platform does not allow revenue-sharing to be rebated to the individual participants who generate it; however, Voya can adjust the administrative fee to provide a more equitable fee arrangement.
- Recommendation:** Adjust the Voya administration fee on each Fund so that all Funds will have a combination of administration fee and revenue-sharing that meets Voya's compensation requirement of 0.44%.

Voya 457(b): Revenue-Sharing

Monitoring of Revenue-Sharing

Manager	Style	3/31/19 Market Value	Inv Mgmt Fees (%)	Inv Mgmt Fees (\$)	Revenue-Sharing (%)	Revenue-Sharing (\$)	Voya	Voya	Total Expense	Total Expense
							Administration Fee (%)	Administration Fee (\$)	(%)	(\$)
Voya U.S. Stock Index	Large Cap Core	\$9,018,193	0.27%	\$24,349	0.28%	\$25,251	0.16%	\$14,429	0.43%	\$38,778
Voya Growth and Income	Large Cap Broad	\$26,563,785	0.58%	\$154,070	0.30%	\$79,691	0.14%	\$37,189	0.72%	\$191,259
Blackrock Equity Dividend	Large Cap Value	\$3,971,892	0.73%	\$28,995	0.25%	\$9,930	0.19%	\$7,547	0.92%	\$36,541
Voya Large Cap Growth	Large Cap Growth	\$11,770,426	0.67%	\$78,862	0.30%	\$35,311	0.14%	\$16,479	0.81%	\$95,340
Voya Russell Mid Cap Index	Mid Cap Core	\$1,346,033	0.40%	\$5,384	0.30%	\$4,038	0.14%	\$1,884	0.54%	\$7,269
Principal Mid Cap Fund	Mid Cap Broad	\$10,729,762	0.85%	\$91,203	0.25%	\$26,824	0.19%	\$20,387	1.04%	\$111,590
Voya Russell Small Cap Index	Small Cap Core	\$1,374,629	0.45%	\$6,186	0.30%	\$4,124	0.14%	\$1,924	0.59%	\$8,110
Voya Small Company	Small Cap Broad	\$7,585,318	0.89%	\$67,509	0.30%	\$22,756	0.14%	\$10,619	1.03%	\$78,129
Voya Oppenheimer Global	Global	\$7,226,972	0.75%	\$54,202	0.36%	\$26,017	0.08%	\$5,782	0.83%	\$59,984
Voya International Index	International	\$410,510	0.45%	\$1,847	0.30%	\$1,232	0.14%	\$575	0.59%	\$2,422
American Funds EuroPacific Growth	Non-US Equity	\$5,979,457	0.83%	\$49,629	0.35%	\$20,928	0.09%	\$5,382	0.92%	\$55,011
Voya T Rowe Price Capital	Balanced	\$8,723,429	0.64%	\$55,830	0.28%	\$24,426	0.16%	\$13,957	0.80%	\$69,787
Voya Solution 2060 Portfolio	Target Date	\$1,975	0.87%	\$17	0.32%	\$6	0.12%	\$2	0.99%	\$20
Voya Solution 2055 Portfolio	Target Date	\$463,879	0.86%	\$3,989	0.32%	\$1,484	0.12%	\$557	0.98%	\$4,546
Voya Solution 2050 Portfolio	Target Date	\$1,666	0.86%	\$14	0.32%	\$5	0.12%	\$2	0.98%	\$16
Voya Solution 2045 Portfolio	Target Date	\$901,210	0.86%	\$7,750	0.32%	\$2,884	0.12%	\$1,081	0.98%	\$8,832
Voya Solution 2040 Portfolio	Target Date	\$245	0.83%	\$2	0.32%	\$1	0.12%	\$0	0.95%	\$2
Voya Solution 2035 Portfolio	Target Date	\$996,136	0.83%	\$8,268	0.32%	\$3,188	0.12%	\$1,195	0.95%	\$9,463
Voya Solution 2030 Portfolio	Target Date	\$535	0.79%	\$4	0.32%	\$2	0.12%	\$1	0.91%	\$5
Voya Solution 2025 Portfolio	Target Date	\$857,201	0.78%	\$6,686	0.32%	\$2,743	0.12%	\$1,029	0.90%	\$7,715
Voya Solution 2020 Portfolio	Target Date	\$0	0.72%	\$0	0.32%	\$0	0.12%	\$0	0.84%	\$0
Voya Solution Income Portfolio	Target Date	\$397,228	0.68%	\$2,701	0.32%	\$1,271	0.12%	\$477	0.80%	\$3,178
PGIM High Yield Fund	High Yield	\$541,213	0.55%	\$2,977	0.25%	\$1,353	0.19%	\$1,028	0.74%	\$4,005
PIMCO VIT Real Return Portfolio	TIPS	\$389,024	1.04%	\$4,046	0.35%	\$1,362	0.09%	\$350	1.13%	\$4,396
Voya Intermediate Bond	Core Plus Bond	\$7,210,499	0.55%	\$39,658	0.17%	\$12,258	0.27%	\$19,468	0.82%	\$59,126
Voya U.S. Bond Index	Core Bond	\$570,111	0.40%	\$2,280	0.32%	\$1,824	0.12%	\$684	0.52%	\$2,965
		\$107,031,326	0.65%	\$696,461	0.29%	\$308,909	0.15%	\$162,029	0.80%	\$858,489

- The table above highlights the recommended administrative fee structure in green.

Note—Largest Administration Fee Decrease: -0.07%. Largest Administration Fee Increase: 0.12%. Average Administration Fee Change: -0.01%.

Fidelity 457(b) Plan



Fidelity 457(b) Plan

Asset Breakdown as of March 31, 2019

Investment Option	Style	Market Value	% of Plan Assets	# of Participants
Fidelity Freedom 2060	Target Date	\$70,066	0.0%	19
Fidelity Freedom 2055	Target Date	\$641,137	0.4%	41
Fidelity Freedom 2050	Target Date	\$319,144	0.2%	46
Fidelity Freedom 2045	Target Date	\$1,096,480	0.7%	59
Fidelity Freedom 2040	Target Date	\$1,431,266	0.9%	58
Fidelity Freedom 2035	Target Date	\$2,992,963	1.9%	71
Fidelity Freedom 2030	Target Date	\$12,931,204	8.4%	262
Fidelity Freedom 2025	Target Date	\$3,763,563	2.4%	103
Fidelity Freedom 2020	Target Date	\$15,800,266	10.3%	242
Fidelity Freedom 2015	Target Date	\$2,042,591	1.3%	51
Fidelity Freedom 2010	Target Date	\$3,567,971	2.3%	71
Fidelity Freedom 2005	Target Date	\$357,008	0.2%	10
Fidelity Freedom Income	Target Date	\$1,627,297	1.1%	48
		\$46,640,956	30.3%	
Fidelity 500 Index	Large Cap Core	\$12,179,492	7.9%	409
Fidelity Large Cap Stock	Large Cap Broad	\$8,298,344	5.4%	335
Vanguard FTSE Social Index	Large Cap Broad	\$445,966	0.3%	91
Invesco Diversified Dividend	Large Cap Value	\$2,363,981	1.5%	173
Fidelity Contrafund	Large Cap Growth	\$36,068,817	23.4%	716
Fidelity Mid Cap Index	Mid Cap Core	\$2,064,723	1.3%	188
Fidelity Small Cap Index	Small Cap Core	\$1,891,902	1.2%	229
Fidelity Low-Priced Stock	Total Equity	\$9,788,191	6.4%	356
Fidelity International Index	International	\$2,604,593	1.7%	186
Harbor International	International	\$3,814,485	2.5%	305
PIMCO Total Return	Core Plus Bond	\$6,998,424	4.5%	279
Fidelity US Bond Index	Core Bond	\$1,618,247	1.1%	150
T Rowe Price Stable Value	Stable Value	\$6,403,026	4.2%	331
Brokerage Link		\$12,699,081	8.3%	113
		\$107,239,273	69.7%	
		\$153,880,229	100.0%	1,673

Fidelity 457(b) Plan Investment Menu

Investment Menu Overview

Investment Menu				
Risk Spectrum	Tier I. Target Date Options	Tier II. Core Options	Tier III. Additional Options	Tier IV. Self-Directed Brokerage Account
Conservative	Fidelity Freedom Income	T Rowe Price Stable Value	PIMCO Total Return	SDBA Full Brokerage Window
	Fidelity Freedom 2005	Fidelity US Bond Index	Fidelity Large Cap Stock	
	Fidelity Freedom 2010	Fidelity 500 Index	Vanguard FTSE Social Index	
	Fidelity Freedom 2015	Fidelity International Index	Invesco Diversified Dividend	
	Fidelity Freedom 2020	Fidelity Mid Cap Index	Fidelity Contrafund	
	Fidelity Freedom 2025	Fidelity Small Cap Index	Harbor International Equity	
	Fidelity Freedom 2030		Fidelity Low Priced Stock	
	Fidelity Freedom 2035			
	Fidelity Freedom 2040			
	Fidelity Freedom 2045			
	Fidelity Freedom 2050			
	Fidelity Freedom 2055			
Aggressive	Fidelity Freedom 2060			

The Fidelity 457(b) Plan's investment menu follows best practices by: utilizing a proper default option (an age-appropriate Target Date Fund), offering a broad range of investment options, and allowing participants to exercise control over their assets.

Tier I: Target Date Funds

Target Date Funds' Review

Target Date Funds:

- Provide participants with an “Allocate It For Me” solution — a pre-diversified portfolio
- Automatically allocate to more conservative asset classes over time (glide path)
- Are offered in five-year increments to best meet participant demographics
- Are designed to correspond to the year a participant intends to retire
- Serve as the 457(b) Plan’s default option, meaning that Fidelity invests a participant’s assets in an age-appropriate Target Date Fund in the absence of investment direction from a participant

Tier I. Target Date Options

Fidelity Freedom Income

Fidelity Freedom 2005

Fidelity Freedom 2010

Fidelity Freedom 2015

Fidelity Freedom 2020

Fidelity Freedom 2025

Fidelity Freedom 2030

Fidelity Freedom 2035

Fidelity Freedom 2040

Fidelity Freedom 2045

Fidelity Freedom 2050

Fidelity Freedom 2055

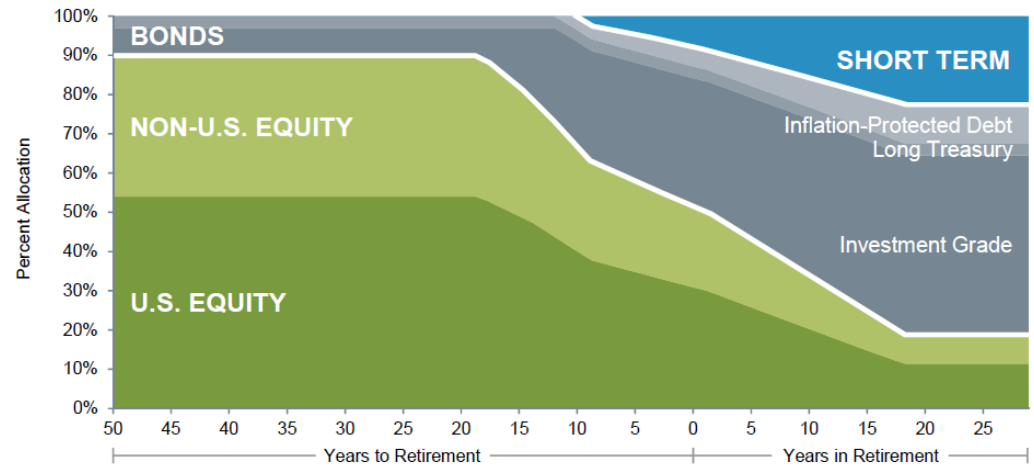
Fidelity Freedom 2060

Tier I: Target Date Funds

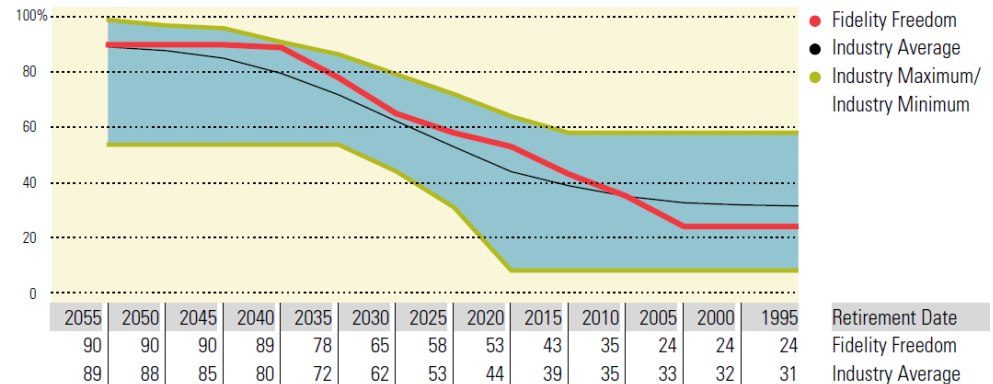
Fidelity Freedom Funds' Review

- Active approach with broad market exposure to major asset classes.
- Flexible asset allocation within reasonable guardrails.
- Automatically becomes more conservative over time until landing at a static asset allocation ten to 19 years post-retirement.
- Asset allocation is generally more aggressive than peers throughout the glide path until exhibiting a more conservative stance ~20 years post retirement.
- Performance can deviate relative to the Funds' strategic indexes.
- Net expense (investment management fee – revenue sharing) is reasonable relative to peers.*
- The utilization and monitoring of the Fidelity Freedom Funds position the Fidelity 457(b) Plan well relative to peers and within the context of the DOL's guidance.

Glide Path & Portfolio Construction:



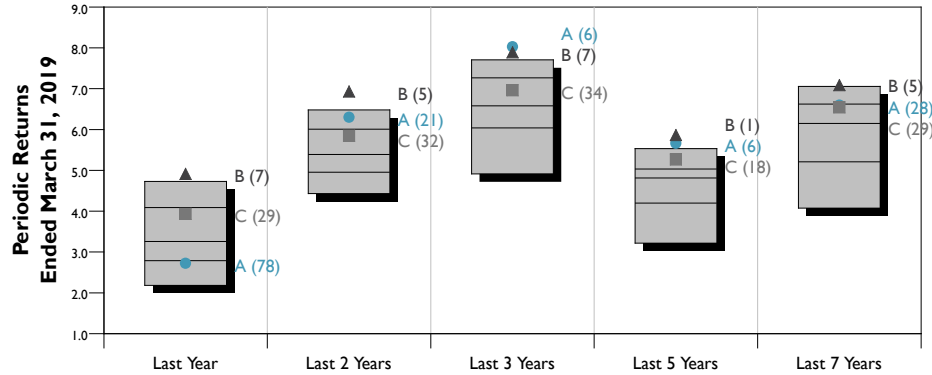
Morningstar Glide Path Peer Comparison:



* Morningstar Fee Level: Fidelity Freedom Funds' fees would rank "Below Average to Average," if revenue-sharing was excluded.

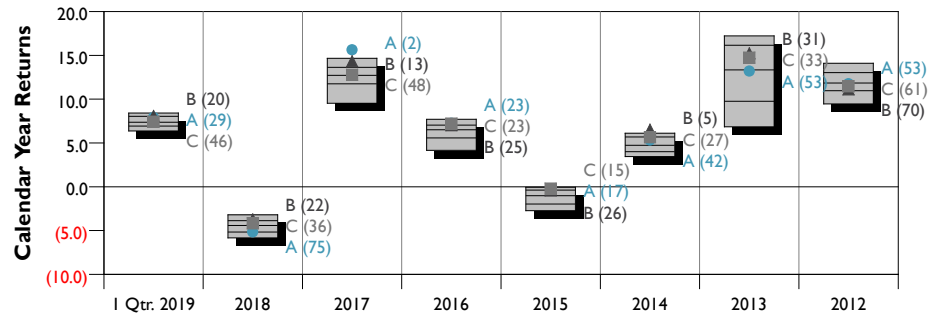
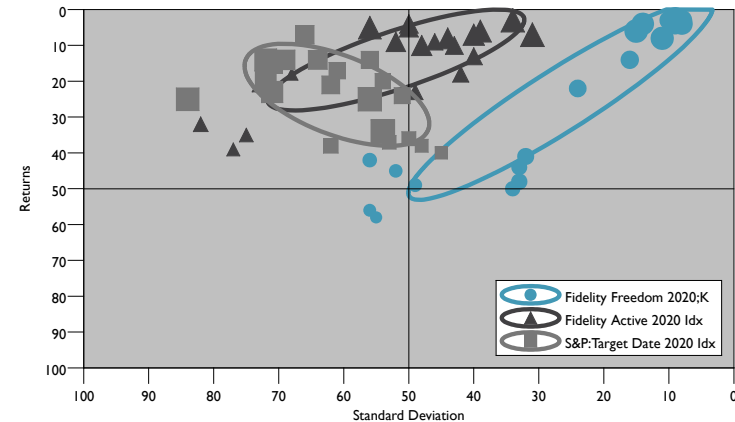
Target Date Funds' Comparison

2020 Fund Performance and Risk Comparison



Period	Median	Fidelity Freedom 2020;K (A)	Fidelity Active 2020 Idx (B)	S&P:Target Date 2020 Idx (C)
Last Year	3.26	2.73	4.91	3.94
Last 2 Years	5.39	6.30	6.93	5.85
Last 3 Years	6.58	8.03	7.89	6.97
Last 5 Years	4.81	5.66	5.87	5.27
Last 7 Years	6.15	6.60	7.09	6.55

Rolling 12 Quarter Scatter Chart for 5 Years Ended March 31, 2019



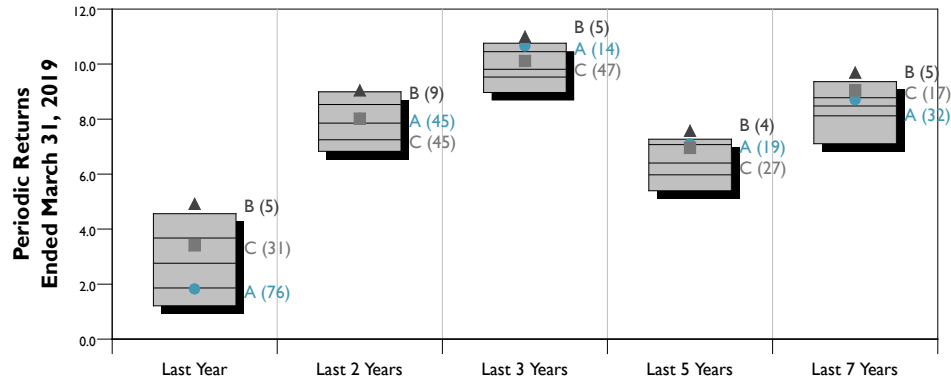
Year	Median	Fidelity Freedom 2020;K (A)	Fidelity Active 2020 Idx (B)	S&P:Target Date 2020 Idx (C)
I Qtr. 2019	7.36	7.92	8.10	7.45
2018	(4.42)	(5.16)	(3.73)	(4.16)
2017	12.73	15.64	14.33	12.80
2016	6.51	7.26	7.04	7.22
2015	(1.03)	(0.23)	(0.40)	(0.19)
2014	4.74	5.34	6.52	5.67
2013	13.33	13.22	15.24	14.76
2012	11.84	11.77	11.13	11.48

Fidelity Freedom 2020 has generally provided higher returns, while taking more risk, relative to its peers over longer periods of time.

Note: Fidelity Freedom 2020 has 20 bps in revenue-sharing reflected in performance.

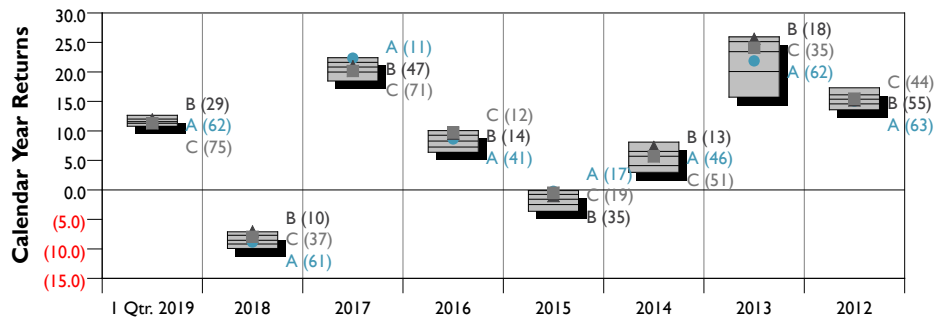
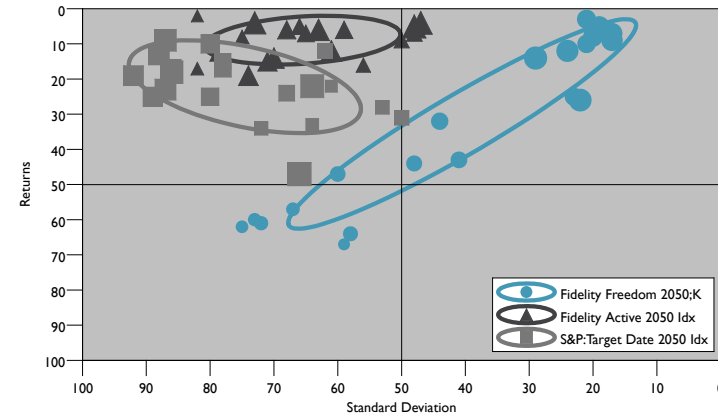
Target Date Funds' Comparison

2050 Fund Performance and Risk Comparison



Median	Last Year	Last 2 Years	Last 3 Years	Last 5 Years	Last 7 Years
Fidelity Freedom 2050;K	1.82	8.04	10.66	7.10	8.70
Fidelity Active 2050 Idx	4.92	9.04	11.00	7.58	9.70
S&P:Target Date 2050 Idx	3.41	8.02	10.12	6.95	9.04

Rolling 12 Quarter Scatter Chart for 5 Years Ended March 31, 2019



Median	I Qtr. 2019	2018	2017	2016	2015	2014	2013	2012
Fidelity Freedom 2050;K	11.43	(8.85)	22.33	8.63	(0.24)	5.78	21.87	15.06
Fidelity Active 2050 Idx	11.96	(7.05)	20.96	9.54	(1.05)	7.29	25.62	15.18
S&P:Target Date 2050 Idx	11.28	(7.94)	20.17	9.74	(0.46)	5.68	24.13	15.49

Fidelity Freedom 2050 has generally provided higher returns, while taking more risk, relative to its peers over longer periods of time.

Note: Fidelity Freedom 2050 has 20 bps in revenue-sharing reflected in performance.

Tier II Core and Tier III Additional Options

Core and Additional Options' Review

Style:		Fidelity 457(b) Investment Option(s):			
		Passive:	% of Plan Assets:	Active:	% of Plan Assets:
Fixed Income	Capital Preservation			T. Rowe Price Stable Value	4.2%
	Core/Core Plus Fixed Income	Fidelity US Bond Index	1.1%	PIMCO Total Return	4.5%
Equity	Large Cap Equity	Fidelity 500 Index	7.9%	Fidelity Large Cap Stock Invesco Diversified Dividend Fidelity Contrafund	5.4% 1.5% 23.4%
	Socially Responsible Equity	Vanguard FTSE Social Index	0.3%		
	International Equity	Fidelity International Index	1.7%	Harbor International Equity	2.5%
	Small/Mid Cap Equity	Fidelity Mid Cap Index	1.3%	Fidelity Low-Priced Stock	6.4%
		Fidelity Small Cap Index	1.2%		

Legend:
Tier II Core Options
Tier III Additional Options

- The Fidelity 457(b) Plan's Tiers II and III options offer exposure to each major asset class, allowing participants to build their own broadly diversified portfolios or express a particular bias within their portfolios.
- The Plan offers an active and passive track in appropriate asset classes, which provides an investment solution for each type of investor—one who is looking for low cost options and one who believes active management can add value over time.
- Opportunities exist to enhance the International Equity Index and consolidate the Small/Mid Cap Equity Index investment options (see following pages).

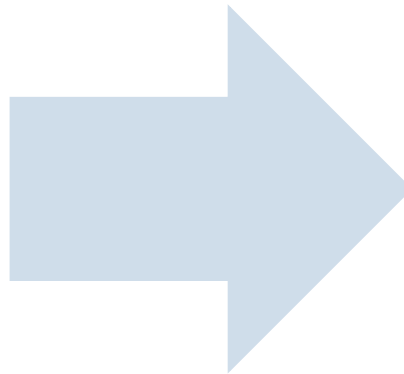
Tier II Core and Tier III Additional Options

Enhancing the Tier II International Equity Index Option

Current:

Fidelity International Index

- Tracks the MSCI EAFE Index
- Provides passive exposure to developed equity markets outside of the U.S.
- Mutual Fund (FSPSX)
- Expense Ratio: 0.035%



Recommended:

SSGA Global All Cap Equity ex U.S. Index

- Tracks the MSCI ACWI ex-US IMI Index
- Provides exposure to large, mid and small cap stocks across developed and emerging markets, excluding the U.S.
- Collective Investment Trust Class II
- Expense: 0.045%

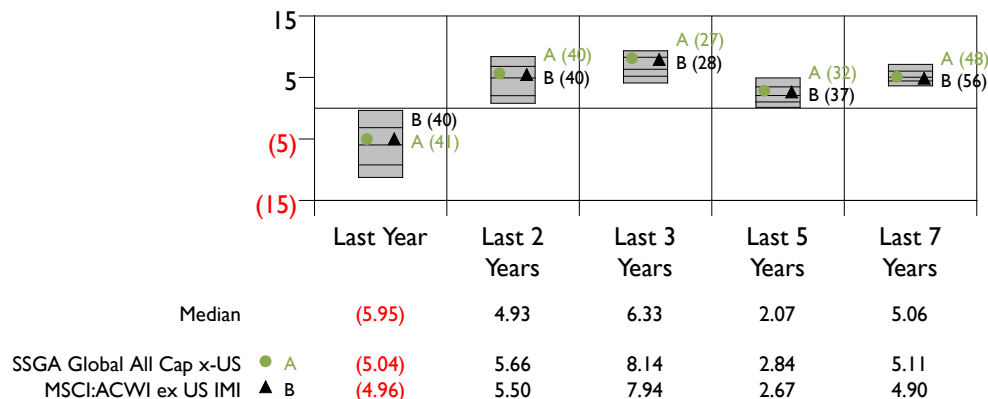
- **Recommendation:** Replace the current International Equity Index option (Fidelity International Index) with a more broadly diversified International Equity Index option (SSGA Global All Cap Equity ex U.S. Index).

Tier II Core and Tier III Additional Options

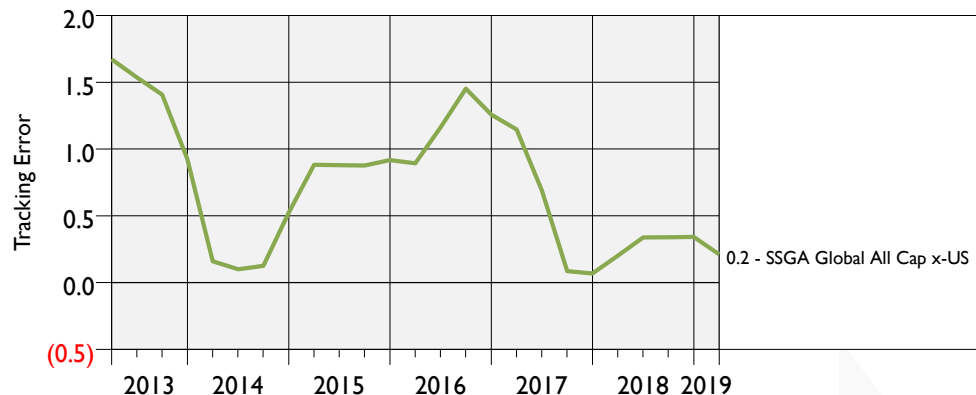
Simplifying the Investment Menu—International Equity Index Option

Organization	State Street Global Advisors
Product Name	Global ex US All Cap
Product Inception Date	04/30/10
Ownership Structure	State Street Global Advisors Trust Company is a wholly owned subsidiary of State Street Bank and Trust which is a wholly owned subsidiary of State Street Corporation, a publicly listed company (NYSE: STT). State Street Global Advisors is the world's third largest asset manager with over \$2.8 trillion in assets under management.
Index	MSCI ACWI ex-US IMI Index
Index Description	The MSCI ACWI ex US Investable Market Index (IMI) captures large, mid and small cap stocks across 22 of 23 Developed Markets (DM) countries (excluding the United States) and 24 Emerging Markets (EM) countries. With 6,149 constituents, the index covers approximately 99% of the global equity opportunity set outside the US.
Assets In Product	\$31.8 Billion
Vehicle Type	Collective Investment Trust (Class II)
Total Expense Ratio	4.5 bps

Returns for Periods Ended March 31, 2019
Group: Callan Non US Equity Mutual Funds



Rolling 4 Quarter Tracking Error Relative To MSCI:ACWI ex US IMI
for 6 Years Ended March 31, 2019



Tier II Core and Tier III Additional Options

Simplifying the Investment Menu—Small/Mid Equity Index Option

Fidelity Mid Cap Index

- Tracks the Russell Mid Cap Index
- Provides passive exposure to U.S. mid cap stocks
- Mutual Fund (FSMDX)
- Expense Ratio: 0.025%

Fidelity Small Cap Index

- Tracks the Russell 2000 Index
- Provides passive exposure to U.S. small cap stocks
- Mutual Fund (FSSNX)
- Expense Ratio: 0.025%

Recommended: SSGA U.S. Small/Mid Cap Index

- Tracks the Russell Small Cap Completeness Index
- Provides exposure to small and mid cap stocks in the U.S.
- Collective Investment Trust Class II
- Expense: 0.02%

Legend:

Tier II Core Options

Tier III Additional Options

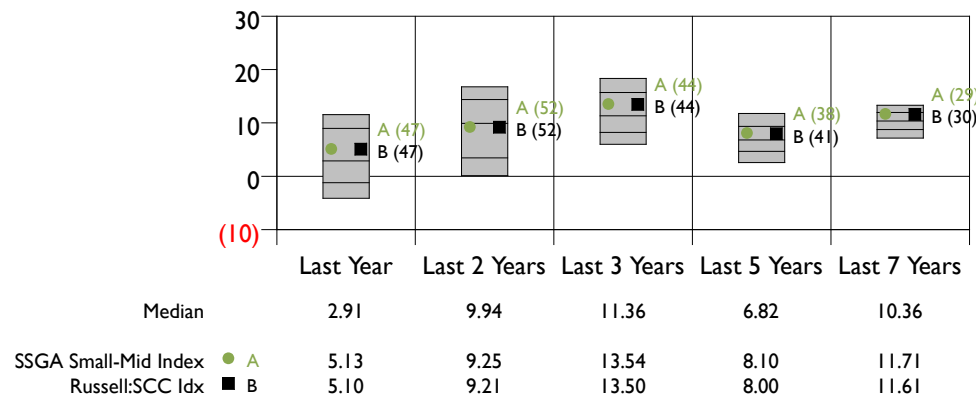
- **Recommendation:** Simplify the Small and Mid Cap Equity Index options by offering one broadly diversified Small/Mid Cap Equity Index option (SSGA U.S. Small/Mid Cap Index), while also slightly reducing investment management fees.

Tier II Core and Tier III Additional Options

Simplifying the Investment Menu—Small/Mid Equity Index Option

Organization	State Street Global Advisors
Product Name	U.S. Small/Mid Cap Index
Product Inception Date	08/31/97
Ownership Structure	State Street Global Advisors Trust Company is a wholly owned subsidiary of State Street Bank and Trust which is a wholly owned subsidiary of State Street Corporation, a publicly listed company (NYSE: STT). State Street Global Advisors is the world's third largest asset manager with over \$2.8 trillion in assets under management.
Index	Russell Small Cap Completeness Index
Index Description	The Fund seeks to mirror the holdings, portfolio characteristics and performance of the Russell Small Cap Completeness Index. The Russell Small Cap Completeness Index is a market capitalization weighted index comprised of the Russell 3000 stocks not included in the S&P 500 Index.
Assets In Product	\$30.9 Billion
Vehicle Type	Collective Investment Trust (Class II)
Total Expense Ratio	2.0 bps

Returns for Periods Ended March 31, 2019
Group: Callan Small/MidCap Broad Mutual Funds



Rolling 4 Quarter Tracking Error Relative To Russell:SCC Idx
for 6 Years Ended March 31, 2019



Tier IV: Self-Directed Brokerage

Self-Directed Brokerage Accounts (SDBA) Considerations

Evaluating Factors for Plan Sponsors:



Is the proposed provider qualified to offer the brokerage window service?



What is the quality of the provider's service?



Are the fees reasonable?

Fidelity SDBA Overview:

- Full Brokerage Window (Mutual Funds, Common Stock and Bonds)
- Fidelity Funds: No transaction fees
- FundsNetwork Funds: Fees vary based on investment type. Examples: Transaction Fee Funds: \$49.95/online purchase; Stocks/ETFs: \$4.95/trade (online), etc.

- The Fidelity SDBA option offers a full brokerage window (mutual funds, common stock and bonds), in which participants are allowed to invest outside of the Plan's investment menu.
- There are 113 participants, representing \$12.7 million (8.3%) in assets, utilizing Fidelity's SDBA option.
 - \$5.8 million is invested in common stock and \$4.9 million is in mutual funds. The remaining assets are invested in exchange-traded funds (ETFs), REITs, etc.
- **Recommendation: Consider limiting the SDBA to a mutual fund only window to ensure greater diversification in participants' holdings.**

Fidelity 457(b) Plan's Manager Due Diligence

Stoplight Grid Summary

Criteria	Fidelity Freedom Funds	Fidelity 500 Index	Fidelity Large Cap Stock	Vanguard FTSE Social Index	Invesco Diversified Dividend	Fidelity Contrafund	Fidelity Mid Cap Index
Qualitative Review	●	●	●	●	●	●	●
Long Term Performance (5-Yr)	●	●	●	●	●	●	●
Short-Term Performance (3-Yr)	●	●	●	●	WL	●	●
Fee	●	●**	●	●*	●	●	●

Criteria	Fidelity Small Cap Index	Fidelity Low-Priced Stock	Fidelity International Index	Harbor International	PIMCO Total Return	Fidelity US Bond Index	T Rowe Price Stable Value
Qualitative Review	●	●	●	●	●	●	●
Long Term Performance (5-Yr)	●	●	●	●	●	●	●
Short-Term Performance (3-Yr)	●	●	●	●	●	●	●
Fee	●	●	●	●	●	●**	●

Legend	
●	Everything is good to excellent in this area
●	Caution is warranted but action is not required at this time
WL	Watchlist Status
●	Action is recommended or is being taken (as applicable)

- The majority of the investment options rank good to excellent from both a qualitative and performance standpoint, per the Investment Policy Statement guidelines.
 - **Recommendations: Place Invesco Diversified Dividend on Watchlist status and replace Harbor International Equity (see pages 45-46).**
- As highlighted in the June 26th SIC meeting, Capital Cities recommends transitioning to the new Admiral share class of Vanguard FTSE Social Index to reduce this Fund's fee by 4 bps.*
- There has recently been significant fee compression in the passive investment management space, which provides opportunities to reduce passive S&P 500 Index and US Bond Index Funds' fees (see pages 48-49).**

Invesco Diversified Dividend Fund

Situation & Recommendation

Situation:

- The Invesco Diversified Dividend Fund has experienced short- and long-term underperformance (last three- and five-year time periods) relative to peers and the Russell 1000 Value Index.
- The majority of the Fund's relative underperformance occurred during the two-year time period ending March 31, 2018.
 - Adverse sector positioning, notably an underweight to Financials and Technology and an overweight to Consumer Staples, detracted from relative performance.
 - The Fund's elevated cash position, due to M&A activity, also weighed on returns as equity markets were positive.
 - Capital Cities views the Fund's underperformance, during this period, to be primarily a result of a transitory, adverse market environment rather than a structural issue with the Fund's investment process.
- The Fund has exhibited strong relative performance over the last one-year time period, ranking in the top quartile of peers and outperforming the Russell 1000 Value Index by 154 basis points.

Recommendation: Watchlist the Invesco Diversified Dividend Fund. See previously delivered Watchlist Memo to the CollegeBound Program in June 2018 for additional details.

Harbor International Equity Fund

Situation & Recommendation

Situation:

- On August 22nd, Harbor appointed Marathon Asset Management LLP (Marathon-London) to serve as sub-adviser to the Harbor International Equity Fund.
- Marathon-London succeeded Northern Cross, LLC, which served as sub-adviser to the Fund since 2009.
- The Harbor International Equity Fund has also experienced short- and long-term underperformance (last three- and five-year time periods).

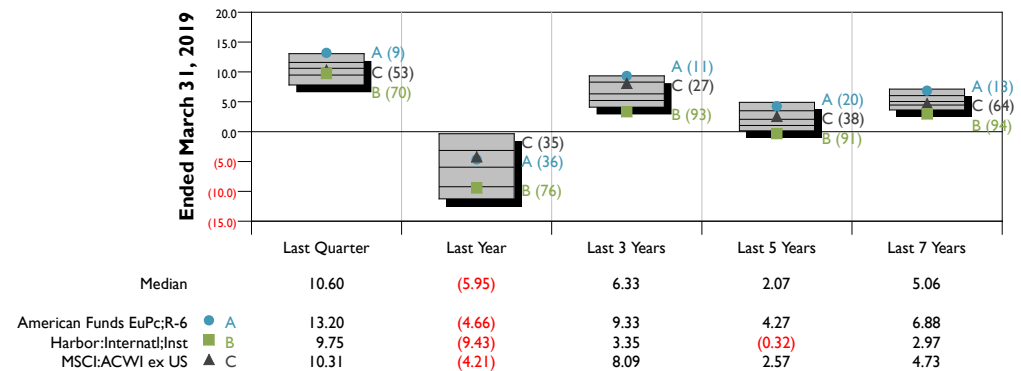
Recommendation: Replace Harbor International Equity given personnel changes and underperformance.

Harbor International Equity Replacement

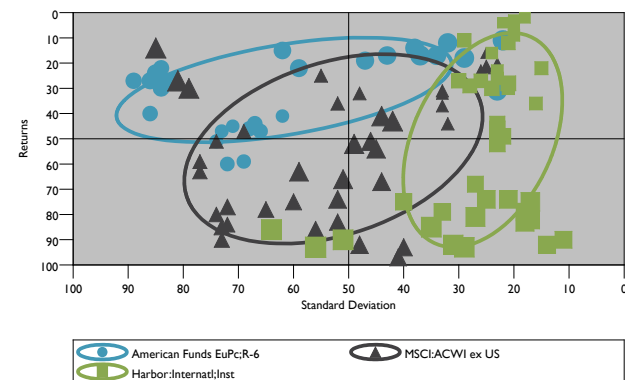
American Funds EuroPacific Growth

Organization	Capital Group: American Funds
Product Name	EuroPacific Growth
Product Inception Date	April 16, 1984
Ownership Structure	Part of the Capital Group Companies; Employee Owned
Firm Information	Founded in 1931 with ~\$1.6 trillion in assets under management.
Investment Philosophy	The Fund seeks growth of capital by employing a flexible approach to investing in attractively valued companies in developed and emerging markets that are positioned to benefit from innovation, global economic growth, increasing consumer demand or a turnaround in business conditions. The Fund utilizes a multi-portfolio manager system (nine portfolio managers and a research portfolio) where each portfolio manager has sole discretion within their sleeve of the portfolio. Individual manager sleeves tend to be somewhat concentrated, with 30-70 holdings each. In addition, each sector analyst within the Research Portfolio tends to hold 5-10 stocks.
Stock Selection	The Portfolio Managers range in style from Deep Value to Growth. The firm's analysts, therefore, must be able to support a variety of styles. Stock Selection is almost entirely focused on bottom-up factors.
# of holdings	320+
% in Top Ten	22%
Turnover	35%
Index	MSCI All Country World ex USA Index
Benchmark Awareness	Country and Sector weights are the residual of bottom-up decisions and the aggregation of the underlying sleeves. The portfolio will make significant use (25%+) of non-benchmark companies. Generally invests meaningfully in Emerging Markets (~32% as of 3/31/19).
Weighted Avg Market Cap	\$44.0 billion
Key Professionals	Denning/Lyckeus/Grace/Kawaja/Lee/Knowles/Kymisis/Suzman/Thomsen
Assets In Product	\$151.8 billion
Fees	49 bps
Vehicle Type	Mutual Fund (REGX)

Performance for Periods Ended March 31, 2019
Group: Callan Non US Equity Mutual Funds



Rolling 12 Quarter Scatter Chart for 10 Years
Ended March 31, 2019



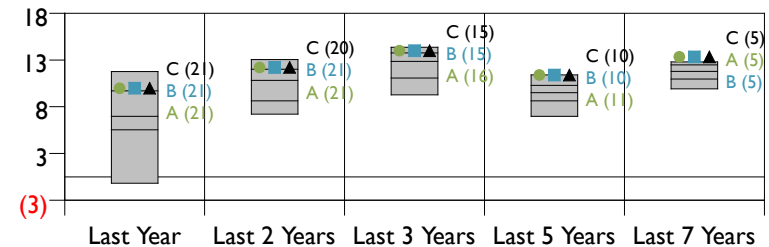
Recommendation: Replace Harbor International Equity with American Funds EuroPacific Growth.

Tier II: S&P 500 Index Recommendation

Grid & Performance

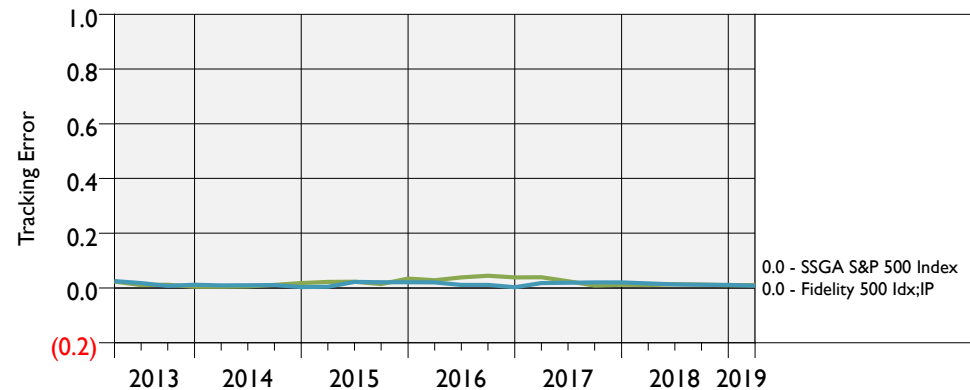
Organization	State Street Global Advisors
Product Name	S&P 500 Index
Product Inception Date	02/29/96
Ownership Structure	State Street Global Advisors Trust Company is a wholly owned subsidiary of State Street Bank and Trust which is a wholly owned subsidiary of State Street Corporation, a publicly listed company (NYSE: STT). State Street Global Advisors is the world's third largest asset manager with over \$2.8 trillion in assets under management.
Index Description	The Funds seek to mirror the holdings, portfolio characteristics and performance of the S&P 500 Index. The S&P 500 Index is market capitalization index based on the 500 largest U.S. companies listed on the NYSE or NASDAQ. The components and their weights are determined by S&P Dow Jones Indices.
Assets In Product	\$483.8 Billion
Vehicle Type	Collective Investment Trust (Class II)
Total Expense Ratio	1.3 bps (Effective 8/1/19: 1.0 bp)

Returns for Periods Ended March 31, 2019
Group: Callan Large Cap Core Mutual Funds



	Median	Last Year	Last 2 Years	Last 3 Years	Last 5 Years	Last 7 Years
SSGA S&P 500 Index	6.48	9.48	10.33	12.37	9.01	11.30
Fidelity 500 Idx;IP	6.48	9.49	11.71	13.50	10.90	12.84
S&P:500	6.48	9.50	11.72	13.51	10.91	12.85

Rolling 4 Quarter Tracking Error Relative To S&P:500
for 6 Years Ended March 31, 2019



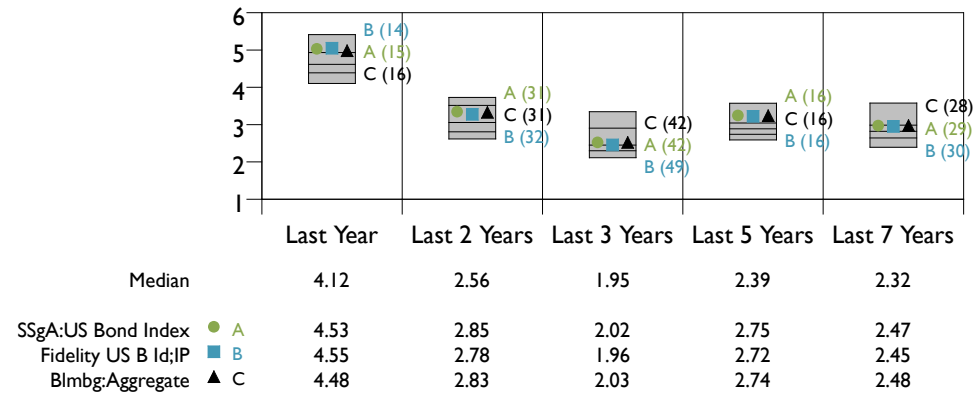
Recommendation: Replace Fidelity S&P 500 Index (0.015%) with SSGA S&P 500 Index (0.01%).

Tier II: Core Bond Index Recommendation

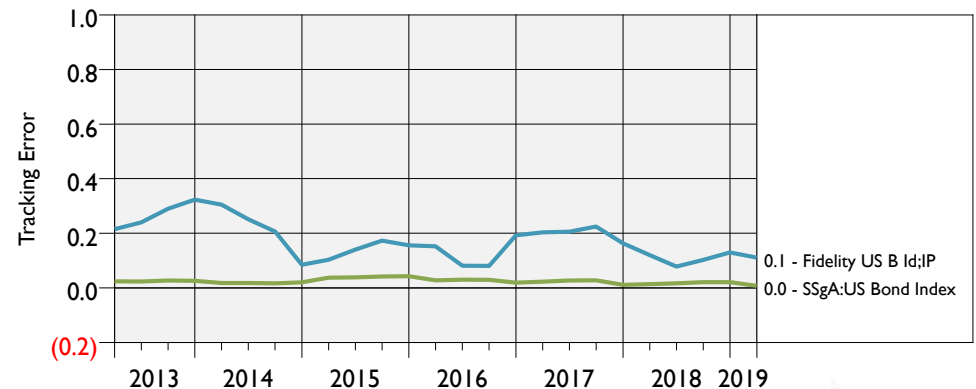
Grid & Performance

Organization	State Street Global Advisors
Product Name	US Bond Index
Product Inception Date	04/01/96
Ownership Structure	State Street Global Advisors Trust Company is a wholly owned subsidiary of State Street Bank and Trust which is a wholly owned subsidiary of State Street Corporation, a publicly listed company (NYSE: STT). State Street Global Advisors is the world's third largest asset manager with over \$2.8 trillion in assets under management.
Index	Bloomberg Barclays Aggregate Bond Index
Index Description	The index provides a measure of the performance of the U.S. dollar denominated investment grade bond market, which includes investment grade government bonds, investment grade corporate bonds, mortgage pass through securities, commercial mortgage-backed securities and asset-backed securities that are publicly for sale in the United States.
Assets In Product	\$52.2 Billion
Vehicle Type	Collective Investment Trust (Class XIV)
Total Expense Ratio	2.0 bps

Returns for Periods Ended March 31, 2019
Group: Callan Core Bond Mutual Funds



Rolling 4 Quarter Tracking Error Relative To Blmbg:Aggregate
for 6 Years Ended March 31, 2019



▪ **Recommendation: Replace Fidelity US Bond Index (0.025%) with SSGA US Bond Index (0.02%).**

Fidelity 457(b): Fee Structure

Enhancing the Overall Fee Structure

Manager	Style	3/31/19 Market Value	Inv Mgmt Fees (%)	Inv Mgmt Fees (\$)	Revenue- Sharing (%)	Revenue- Sharing (\$)	Net Expense (%)	Net Expense (\$)
Fidelity 500 Index	Large Cap Core	\$12,179,492	0.015%	\$1,827	0.00%	\$0	0.015%	\$1,827
Fidelity Large Cap Stock	Large Cap Broad	\$8,298,344	0.67%	\$55,599	0.35%	\$29,044	0.32%	\$26,555
Vanguard FTSE Social Index	Large Cap Broad	\$445,966	0.18%	\$803	0.00%	\$0	0.18%	\$803
Invesco Diversified Dividend	Large Cap Value	\$2,363,981	0.42%	\$9,929	0.00%	\$0	0.42%	\$9,929
Fidelity Contrafund	Large Cap Growth	\$36,068,817	0.73%	\$263,302	0.20%	\$72,138	0.53%	\$191,165
Fidelity Mid Cap Index	Mid Cap Core	\$2,064,723	0.025%	\$516	0.00%	\$0	0.03%	\$516
Fidelity Small Cap Index	Small Cap Core	\$1,891,902	0.025%	\$473	0.00%	\$0	0.03%	\$473
Fidelity Low Priced Stock	Total Equity	\$9,788,191	0.53%	\$51,877	0.20%	\$19,576	0.33%	\$32,301
Fidelity International Index	International	\$2,604,593	0.045%	\$1,172	0.00%	\$0	0.05%	\$1,172
Harbor International	International	\$3,814,485	0.77%	\$29,372	0.10%	\$3,814	0.67%	\$25,557
Fidelity Freedom 2060	Target Date	\$70,066	0.65%	\$455	0.20%	\$140	0.45%	\$315
Fidelity Freedom 2055	Target Date	\$641,137	0.65%	\$4,167	0.20%	\$1,282	0.45%	\$2,885
Fidelity Freedom 2050	Target Date	\$319,144	0.65%	\$2,074	0.20%	\$638	0.45%	\$1,436
Fidelity Freedom 2045	Target Date	\$1,096,480	0.65%	\$7,127	0.20%	\$2,193	0.45%	\$4,934
Fidelity Freedom 2040	Target Date	\$1,431,266	0.65%	\$9,303	0.20%	\$2,863	0.45%	\$6,441
Fidelity Freedom 2035	Target Date	\$2,992,963	0.64%	\$19,155	0.20%	\$5,986	0.44%	\$13,169
Fidelity Freedom 2030	Target Date	\$12,931,204	0.61%	\$78,880	0.20%	\$25,862	0.41%	\$53,018
Fidelity Freedom 2025	Target Date	\$3,763,563	0.57%	\$21,452	0.20%	\$7,527	0.37%	\$13,925
Fidelity Freedom 2020	Target Date	\$15,800,266	0.54%	\$85,321	0.20%	\$31,601	0.34%	\$53,721
Fidelity Freedom 2015	Target Date	\$2,042,591	0.50%	\$10,213	0.20%	\$4,085	0.30%	\$6,128
Fidelity Freedom 2010	Target Date	\$3,567,971	0.46%	\$16,413	0.20%	\$7,136	0.26%	\$9,277
Fidelity Freedom 2005	Target Date	\$357,008	0.43%	\$1,535	0.20%	\$714	0.23%	\$821
Fidelity Freedom Income	Target Date	\$1,627,297	0.42%	\$6,835	0.20%	\$3,255	0.22%	\$3,580
PIMCO Total Return	Core Plus Bond	\$6,998,424	0.55%	\$38,491	0.00%	\$0	0.55%	\$38,491
Fidelity US Bond Index	Core Bond	\$1,618,247	0.025%	\$405	0.00%	\$0	0.03%	\$405
T Rowe Price Stable Value	Stable Value	\$6,403,026	0.30%	\$19,209	0.00%	\$0	0.30%	\$19,209
Brokerage Link	NA	\$12,699,081	0.00%	\$0	0.00%	\$0	0.00%	\$0
		\$153,880,229	0.48%	\$735,907	0.14%	\$217,855	0.34%	\$518,052

- As highlighted during the June 26th SIC meeting, the Fidelity 457(b) Plan generates revenue-sharing that is rebated to all participants to offset total Plan expenses.
- **Recommendation: Rebate revenue-sharing to individual participants who generate it (“fee leveling”) to provide a more equitable fee arrangement.**
- Fidelity’s 0.10%/participant administration fee would be charged as an explicit fee under the recommended structure.

APPENDIX



401(a) and 457(b) Plans Overview

Assets and Participants

	TIAA 401(a)	TIAA 457(b)	Voya 457(b)	Fidelity 457(b)
Total Plan Assets	\$955,532,541	\$36,879,482	\$185,571,139	\$153,880,229
Total Target Date Funds Assets	\$859,552,644	\$1,948,700	\$3,620,074	\$46,640,956
Total # of Participants	37,047	840	4,143	1,673

Target Date Funds' Comparisons

Rhode Island 401(a) and 457(b) Plans



Vanguard

TIAA 401(a) and 457(b) Plans— Vanguard Target Retirement Funds:

- Passive approach with simplistic and strategic construction
- Managed through retirement—lands seven years post-retirement
- Near Morningstar industry average asset allocation
- Performance closely tied to the Funds' benchmarks
- Very inexpensive fees (0.07%)



VOYA

Voya 457(b) Plan—Voya Solution Portfolios:

- Blended approach with active and passive broad market exposure to major asset classes
- Flexible asset allocation within reasonable guardrails
- Comprised of proprietary and non-proprietary funds
- Managed to retirement
- Asset allocation is comparable to peers throughout the majority of the glidepath, with the exception of the beginning (more aggressive) and at retirement (more conservative)
- Performance can deviate relative to the Funds' strategic indexes
- Net expense: 0.36%-0.55%*



Fidelity 457(b) Plan—Fidelity Freedom Funds:

- Active approach with flexible asset allocation within reasonable guardrails
- Managed through retirement—lands ten to 19 years post-retirement
- Asset allocation is generally more aggressive than peers throughout the glide path until exhibiting a more conservative stance ~20 years post retirement
- Performance can deviate relative to the Funds' strategic indexes
- Net expense: 0.22%-0.45%*

Passive

Blend

Active

*Net Expense = Investment Management – Revenue Sharing

Capital Cities

INSTITUTIONAL INVESTING MADE PERSONAL

Fidelity 457(b): Active International Equity Candidates

Elimination Matrix

	Name of firm	Product	Notes
1	American Beacon	International Equity	
2	Artisan	International Value	Product (Closed)
3	Brandes Investment Partners	Institutional International Equity	Philosophy/Process (Highly Benchmark Agnostic Value Approach)
4	Calvert	International Equity	Organization (Eaton Vance Acquisition of Firm); Personnel (Portfolio Manager Changes in 2016)
5	Capital Group	American Funds EuroPacific Growth	
6	Dodge & Cox	International Stock	Product (Closed); Performance (Long-Term Underperformance)
7	Fidelity	Diversified International	
8	Harris Associates	Oakmark International	Product (Closed)
9	Hartford	International Value	Product (Closed); Style (Deep Value)
10	Invesco	International Growth	Style (Growth); Performance (Short-Term Underperformance)
11	Lord Abbett	International Opportunities	Philosophy/Process (Small/Mid Cap Equity Focus)
12	MFS	International New Discovery	Philosophy/Process (Small/Mid Cap Equity Focus)
13	MFS	International Equity	Personnel (Recent PM Departure)
14	Oppenheimer	International Diversified	Organization (Recent Invesco Acquisition)
15	T. Rowe Price	International Stock	Personnel (Lead Portfolio Manager Change in 2015)
16	TransAmerica	International Equity	Organization (Recent SEC Settlement)
17	Templeton	Institutional Fund International Equity Series	Personnel (Recent PM Departure); Style (Value)
18	Vanguard	International Growth	Style (Growth)
19	Waddell & Reed	International Core Equity	Performance (Short-Term Underperformance)
20	William Blair	International Growth	Style (Growth)

Legend:

Semi-Finalist

Finalist

Fidelity 457(b): Managed Account Services

Participant Demographics

Age	# of Participants
<30	18
30 - 39	27
40 - 49	18
50 - 59	16
60 - 69	9
70+	2
Total	90

Managed Account Services Fee:

50 basis points on first \$100,000;
45 basis points on next \$150,000;
30 basis points \$250,000+

- Managed Account Services are a discretionary solution for participants, including ongoing management, monitoring and rebalancing of their portfolios, based on their unique situation and retirement needs (e.g., risk tolerance, outside assets, etc.).
- Managed Account Services are only charged to participants in the 457(b) Plans who elect to utilize the product.
- 86 participants, representing \$2.5 million in assets, are currently utilizing Fidelity's Managed Account Services.

Fidelity 457(b): Passive Elimination Matrix

Qualitative and Quantitative Evaluation

	Name of firm	Product	Notes
S&P 500			
1	Northern Trust	S&P 500 Index	Price (1.3 bps)
2	Fidelity	500 Index Fund	Price (1.5 bps)
3	BlackRock	Equity Index Strategy	Price (1.77 bps)
4	Schwab	S&P 500 Index Fund	Price (2 bps)
5	State Street	S&P 500 Index Strategy	Price (1 bp)
6	Vanguard	Institutional Index Fund	Price (3.5 bps)
US Small/Mid Cap			
1	Northern Trust	DJ US Completion Index	Price (7 bps)
2	Fidelity	Extended Market Index Fund	Price (4.5 bps)
3	BlackRock	Extended Equity Market Strategy	Price (3.63 bps)
4	State Street	Russell Small Cap Completeness Index Strategy	Price (2 bps)
5	Vanguard	Extended Market Index Fund	Price (6 bps)
Broad Non-US Stock Market			
1	Northern Trust	ACWI ex US IMI	Price (15 bps)
2	Fidelity	Global ex U.S. Index	Price (5.5 bps)
3	State Street	MSCI ACWI ex-US IMI Index Strategy	Price (4.5 bps)
4	BlackRock	MSCI ACWI ex-US Index Strategy	Price (6.99 bps)
5	Vanguard	Total International Stock Market Index Fund	Price (8 bps)
Broad Bond Market			
1	State Street	US Bond Market Index Strategy	Price (2 bps)
2	Vanguard	Total Bond Market Index	Price (3.5 bps)
3	Fidelity	U.S. Bond Index	Price (2.5 bps)
4	Schwab	U.S. Aggregate Bond	Price (4 bps)
5	iShares	U.S. Aggregate Bond	Price (5 bps)

Legend:

Finalist